World

America's Magazine of World Events

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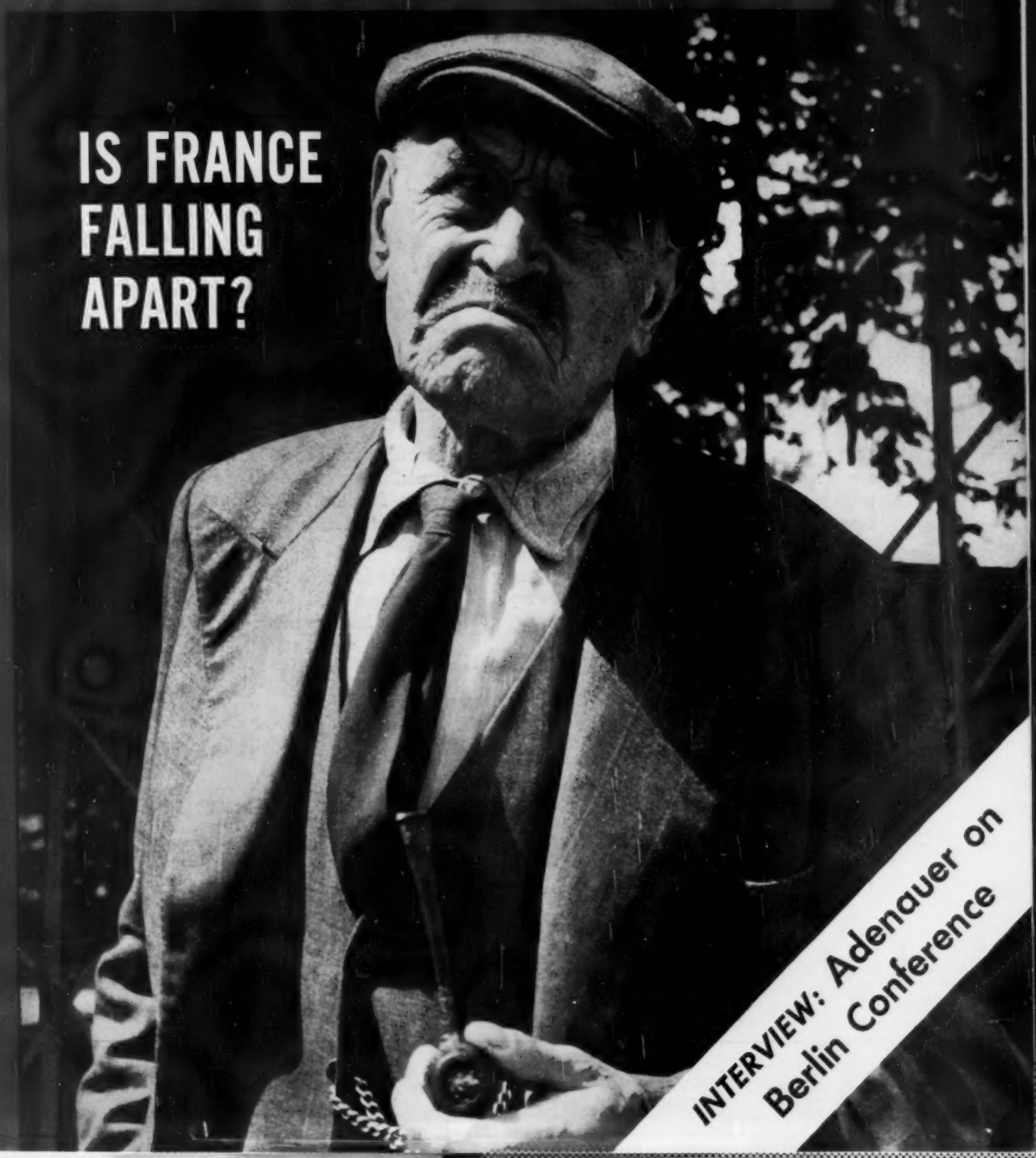

IS FRANCE FALLING APART?

INTERVIEW: Adenauer on Berlin Conference

AMERICA NEEDS YOU
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HERE'S WHY: The potential of modern military offense is such that a surprise raid against this country could cause tremendous casualties.

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Already some 300,000 civilian Americans are contributing to the job of guarding our ramparts. I salute these Ground Observers for their patience, their perseverance, their patriotism.

But the job calls for twice their number to man these vital posts. Will you serve your country for two hours a week?

Dwight D. Eisenhower

PRESIDENT OF THE UNITED STATES

★

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Look Up!

World

Pattern of Events

As the new year began, the two estranged halves of the world were moving cautiously toward a new, more relaxed way of living together on one planet. The continuing shift away from cold war was manifested not only in attempts to negotiate with each other, but in a series of independent acts by both East and West.

The US was seeking the formula for an eventual understanding with the Soviet bloc, one which would lift the burden of constant crisis from the West, and part of the burden of foreign responsibilities from America's domestic economy. To bring about this easement without damage to Western security, the US was relying primarily on a new foreign policy of "disengaged power."

This policy stems from the growing emphasis of US leaders on nuclear weapons; it depends upon the threat of automatic, all-out retaliation by an atomic-armed American "mobile reserve" to deter future Communist aggression. Its main points are: (1) maintain the present system of alliances surrounding the Soviet bloc (for example, NATO); (2) extend it across any remaining "no man's land" open to Communist expansion (as in the proposed grouping of Pakistan, Iran and Iraq in a US military aid program); (3) withdraw a substantial portion of US ground forces now abroad (this has begun in Korea with the proposed recall of two US divisions); (4) man the free world's exposed sectors with stronger local forces (thus, the US is still determined to set up the European army).

This policy is basically a military one, but it is defensive. The US is simply taking a firmer stand, if at long range, along the old frontier of containment. To back up George Kennan's old concept, the Administration was building a new position of atomic strength. The pressure which the US hopes to exert on the Communists might be termed "historical"—to convince them that any further incursions into the free world are impossible without atomic war. The West would then have freedom from fear—of small wars on the Korean model. If the Communists further conclude that continued hostility will gain them nothing, and enter into normal relations with the West, so much the better.

The motive behind Communist gestures toward a detente was less clear. After repeated American invitations to negotiate, the Russians finally came out from behind their entrenched diplomatic positions: they agreed to a four-power conference on a German peace treaty; they began conversations on Eisenhower's plan for an atomic pool.

One theory is that Russia really needs a prolonged detente in the cold war because of internal weakness. The new Soviet leaders are uncertain. They are stalling until they can bolster their position at home, and because they fear that in a conference showdown they will have to give the West something important in order to get the international respite they must have.

An alternative interpretation has it that the new Soviet responsiveness is calculated—and dangerous. It signals belated recognition by the Russians that the brutal intransigence associated with Stalin will not work in the long run. The Communists want a detente, not for their own relief, but to loosen the bonds of common peril which have held together the disparate members of the Western alliance. An era of good feeling will enable them to keep uncertain allies (such as France) off balance by carefully timed diplomatic overtures (for example, on Germany or in Indo-China). Perhaps more important, a combined policy of Soviet restraint and just plain waiting will eventually allow the disruptive forces within the Western alliance—competition for markets, Franco-German distrust, South Korean nationalism—to do the necessary wrecking job alone.

Thus, at the start of 1954, two great opposing drives, by the US and the Soviet bloc, were already strongly shaping world events:

In Korea and Japan, Eisenhower's chosen policy of disengagement was now in full operation. On December 13, two new South Korean divisions were activated. On December 26, Eisenhower announced the impending withdrawal of two US divisions from Korea. At the same time he warned that in the event of new Communist aggression, hostilities would not be confined to Korea —i.e., the US would retaliate on China itself. On January 7, he urged Congress to quickly ratify the US mutual defense pact with South Korea. Two days later, Premier Yoshida of Japan revealed that

Japanese forces would be increased by 45,000 men in 1954 to replace a cut in the US garrison.

Communist moves to negotiate in Korea were even more evasive than in Europe. After seven weeks of US compromise offers failed to get a solid response, US Ambassador Dean on December 12 broke off talks to set up a Korean conference. On January 11, the Reds asked for a resumption (see "In the Cards: Korea Conference," p. 40).

The Communists of Russia were ready to talk—if not to really negotiate—at Berlin, January 25 (see "Adenauer on the Berlin Conference," p. 14). Secret conversations on Eisenhower's atomic pool began on schedule (January 10).

Important evidence supported the theory that internal problems were forcing Russia to relax international pressure. On December 9, West Berlin received the 300,000th refugee from the East Zone to arrive in 1953. The Communists continued to stress more consumer goods for their own people. On December 21, five Russian cabinet members were named Deputy Premiers, all of them technicians in charge of production.

Russia's new bosses were reported to be in trouble with each other, as well as with their long-suffering subjects. Two days before Christmas, Lavrenti Beria and six of his deputies were executed in Moscow after a secret trial; in order to operate after the death of Stalin, the Soviet state had been forced to virtually liquidate one of its four pillars—the secret police. A further struggle for power was anticipated among the remaining elements: Army, Government, and Party (see "Soviet World," p. 42).

Disunion threatened West Europe as well as Russia. Despite Dulles' blunt warning on December 14 that unless EDC were ratified, Western Europe might have "to commit suicide alone," France still could not make up its mind. The French were disturbed by the possibility that withdrawal of US ground forces would leave France alone on the Continent with a preponderant new German army. They were further confused by Russia's tempting offer of a "neutralized Germany." On January 6 the Assembly gave the shaky Cabinet of Premier Laniel a vote of confidence, enabling him to go to the Berlin four-power conference. This vote, however, did not endorse EDC; Laniel was specifically told to go to Berlin with an open mind—open, that is, to any alternative.

An even more serious division in Western Europe was internal: the widening split between Right and Left which envenomed the French Presidential election (see "Is France Falling Apart?" p. 8). The Center coalition pledged to European unity, on which the US had based its Continental defense plans, was no longer able to govern, or even to elect a President: after bitter marathon balloting, on December 23 the Assembly and Senate finally chose the moderate rightist, Rene Coty.

The same split upset the government of Italy's Premier Pella on January 5. Last summer's elections returned the Christian Democrats as Italy's largest party, but just short of a majority. Christian Democrat Pella undertook to rule with the aid of the conservative Monarchists. In December he sought to seal this alliance by naming an anti-land-reform Christian Democrat to the vital Ministry of Agriculture. His own party, conscious of its losses to the Left last summer, turned him out and promoted one of its own left-wingers, Amintore Fanfani, as Premier.

In any case, the Kremlin could wait and look forward in both France and Italy to these happy alternatives: (1) Right-oriented governments which will do nothing about economic ills which are causing popular discontent and a drift to the Left; (2) Left-oriented reform governments which, while not unfriendly to the US, will be anxious to cut foreign commitments and proceed with reforms on the basis of "France First" or "Italy First."

In far-off Indo-China, the Communists were also trying to detach France from the Western alliance. By a spectacular, if militarily inconclusive, attack on December 26, they cut across Laos to the Thailand frontier, showing the French that they were still losing after seven years of war. Meanwhile, the rebel radio went on broadcasting peace feelers, showing the French an easy way out of their predicament. French Defense Minister Pleven on December 28 said that in 1954 French forces in Indo-China would be cut from 180,000 to 165,000.

Thailand, which had ostentatiously hurried troops to its Laos border after the rebel stroke of December 26, suggested on January 8 that an alliance be formed between Thailand and the Indo-Chinese states of Laos and Cambodia. This may be merely a resurgence of historic regionalism, but since Thailand is a US ally, and our ambassador in Bangkok is the shrewd William G. Donovan of OSS fame, it looks more like a first subtle attempt by the US to build a second line in Southeast Asia in case the French pull out of Viet Nam.

LETTERS to the Editor

Qualified to Judge

I admire what seems to be WORLD's unusual awareness of trends in Asia and Africa.

AHMED S. BOKHARI
Ambassador, Permanent Representative of Pakistan to the United Nations
New York, N. Y.

Editorial Choice

I liked the honest and humble facing of facts in your editorial on "The Lonely Country" (WORLD, Nov. '53). We must come to know and love the people of all nations, realizing that we may not please them any more than they at times please us.

MRS. MAUDE C. KEITH
Denver, Colo.

My profound gratitude for the editorial "Can We Halt History?" (WORLD, Dec. '53). Such a clear statement of the state of the world and our relation to it should awaken Americans from their complacency. Long life to WORLD!

MRS. H. C. CASWELL
Modesto, Calif.

I thought your editorial "This Troubled Breed" in the January issue fell down from your usual pungent style. Why glorify the American character to the extent of saying ". . . you can trust it as blindly as you trust the instinct for survival"? I don't believe you can. We have been swept into disasters before and if we are not careful we will be swept into others that are worse.

JEROME DAVIS
West Haven, Conn.

Proper Sequence

As a long-time subscriber and reader of UNITED NATIONS WORLD, let me congratulate you on the first issue of WORLD and WORLD-CABLE.

At the same time, let me call attention to the fact that Volume I, No. 2, of WORLD-CABLE is the first issue I have received. I would be happy to have a copy of issue No. 1.

D. C. KNAPP
Executive Secretary
Pacific Northwest Trade Association
Seattle, Wash.

I have before me a copy of World-Cable, Volume 1, No. 2. I receive a number of news services and news magazines, but World-Cable is far and away the best news service on international affairs that I have seen.

As a subscriber, I suppose we have received all copies of this publication, but we do not seem to have them on file, except for No. 2. Would it be asking too much to complete our file up to date, so we can have it for ready reference?

JAMES A. CRAIN
Executive Secretary, Dept. of Social Welfare, The United Christian Missionary Society
Indianapolis, Ind.

► Postal regulations require that issues of WORLD magazine and WORLD-CABLE be numbered consecutively in the same volume. The first issue of WORLD was, of course, Volume I, No. 1; the following first issue of WORLD-CABLE was No. 2; the second issue of WORLD was No. 3, and so on.—ED.

Blood Brothers

What about the contradictory statement in your newsletter (WORLD-CABLE, mid-November, '53) in which you describe the Kremlin ". . . as seeking to court the Arab States by discreet anti-Semitism. . . ." The Arabs are Semites also, are they not?

K. T. HEINTZELMAN
Marblehead, Mass.

► Arabs are classified as the purest examples of the Semitic ethnic group. Anti-Semitism, however, has a more specific meaning. According to *Webster's New International Dictionary*, it is: "Opposition to, hatred of, or agitation against Jews."—ED.

Dissenting Opinion

Having had occasion to read carefully (for review) Czeslaw Milosz's *The Captive Mind*, I was astonished to find Geoffrey Bruun (WORLD, Dec. '53) presenting this vibrant book as evidence of the insatiable craving by intellectuals in Communist countries for an alternative absolute orthodoxy. On the contrary, *The Captive Mind* is a moving testament to the invincible attraction of liberty, and a resourceful and penetrating exposure of the corruption that is the essence of historical communism.

CHARLES W. LOWRY
Chairman, Foundation for Religious Action
Washington, D. C.

Three Kings of Orient

As "a man of the cloth," albeit retired from active pastoral duty for eight years, I was at first mildly disturbed by your title "Three Kings from the East" in reference to the Indo-Chinese rulers (WORLD, Dec. '53).

Please do not misunderstand me; my objection was not that they were not baptized Christians—for obvious reasons, neither were Caspar, Balthasar or Melchior, the three kings of Biblical record. It was, rather, the spiritual natures of the monarchs that I questioned; from what little concerning them that I had read previously, I judged them to be worldly men, to say the least.

Your excellent article showed me once again (as on many other occasions in a long life) the wisdom of the Biblical injunction to "judge not."

King Sisavang Vong of Laos is indeed a man of impressive piety, in his "persuasion" of Buddhism. Since he is willing to travel thousands of miles to France to ease his fleshly ills, I have no doubt he would undertake an even more arduous journey for the good of his soul.

Similarly, it is not difficult to picture the impetuous, generous-hearted young King of Cambodia setting out in quest of a Star rising in the East. As for Bao Dai, I cannot be certain. I should rather think he would have hung back, waiting, perhaps, to see

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what King Herod might do about the Miracle in Bethlehem.

REV. A. B. J. HOADLEY
Providence, R. I.

Primary Indicator

We are very much interested in your "Index for World Investment" that appears monthly in WORLD. Since we are now investigating the advisability of establishing a wholly-owned subsidiary factory abroad, we should appreciate receiving any further information you may have published on the subject.

Providence, R. I. — COMPANY

► This letter (from a metal-working firm) is one of many queries WORLD has received in reference to "Index for World Investment." Our replies have stressed the function of the "Index" as a guide to investors in *selecting* the country that best suits their business needs. Beyond this, assistance the businessman may require in the form of detailed information and expert services must come from investment counselors, banks and other specialized firms.—ED.

A Great Time Coming

Fortunately, to refute Robert C. Cook's pessimistic and almost cynical views of *The Road to Abundance* (WORLD, Jan. '53), I need not look any farther than page 26 of the same issue: your exciting article, "The Happy Little Fish."

Mr. Cook neglects to take into consideration the profound penetration of the scientific spirit, the passing of colonial exploitation and backwardness, the spreading determination of the once submerged peoples to proceed with lightning speed into the Twentieth Century. . . . China, India and Japan are working actively on the problems of population control. . . . History is far, far ahead of schedule. . . .

Omaha, Nebr. ZVI HAMED

Tintinnabulation

Sisavang Vong! Sisavang Vong! King Sisavang Vong of Luang Prabang! His name has been "as sounding brass or a tinkling cymbal" in my mind ever since I read the December WORLD. At first the ringing rhythm was very pleasant, but now I would like to get rid of it—perhaps by passing it on to your other readers. . . .

AMANDA RENWICK
New Orleans, La.

Colony of a Different Color

Under "News & Consequences" in the December WORLD, you say: "British Guiana is well in hand, but a similar situation threatens in British Honduras. . . ."

Is it "similar" in any way except that England holds both with closed claws? The natives of British Honduras—and I don't mean the English civil servants—are so far from the Communist line that they are the opposite. While the Guianese followed the Labor party line into socialism (and are now getting spanked for it), the people of British Honduras reacted violently to the insidious domination of the Socialists. English workers may have voted for the Socialists, but in the colonies their rule was a tyranny. Nor has the picture altered much. . . .

A change of heart has taken place in British Honduras since "devaluation." The Home government made solemn promises that the Honduran dollar would not be touched. Then, on January 1, 1953, all business houses being closed, the country was quickly and drastically dragged down into the sterling area. Some Jamaicans and English made a killing on the conversion. . . .

Don't jump to conclusions about this situation; it is extremely complex. But you would be surprised at the political—I should say, "moral"—maturity of the leaders of the British Honduras agitation.

Holton, Kan. R. E. AUSTIN

Variety and Balance

How far has mankind fallen? Fear rules our hearts and minds today; fear is our last, best hope for peace, as Mr. Herald so persuasively points out in his article "Peace Through the H-Bomb?" (WORLD, Jan. '54). As if in mocking juxtaposition, there follows your excellent story of Burgess and Maclean, a tragedy of idealism, blinded, seduced and corrupted in a despairing world. . . . The moral, of course, lies in the sensitive profile of Helen Keller, who, in her world of personal darkness, found salvation in a rock-bottom faith in mankind. A well-balanced issue indeed!

San Francisco, Calif. JOHN ANDERSON

For Peace: A Strong UN

In his brilliant "Peace Through the H-Bomb?" (WORLD, Jan. '54), George W. Herald says: "Once it is generally realized that the H-bomb is even more unfit to solve conflicts between nations than other forms of warfare, the nations . . . may at last agree . . . on more practical and less expensive methods of settling differences."

This brings us squarely to the need for a strengthened UN—the most urgent political necessity of our time. Where but in the UN and in its subsidiary agencies is there practical and inexpensive machinery for settling differences between nations? How but through common determination to strengthen the UN can it gain the authority needed to meet the heightened demands of our imperiled world?

Vast difficulties stand in the way of achievement of peace under law. Yet, in the light of facts now known about

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the hydrogen bomb, can there be any other ultimate destination?

PALMER VAN GUNDY
La Canada, Calif.

. . . The people should be represented directly—even if only in an advisory capacity—in the UN, or any other organization supposedly for their international welfare. For example, if the citizens of each member state elected one representative to each UN agency, the people would become more interested in what UN agencies can or should do.

Right now America's per capita outlay for defense, not counting interest on debt and care of veterans, is well over $200 a year, with only about $1.50 spent on UN agencies. This is like being in a leaky boat, spending all your energy on bailing, and none on fixing the leak. Since the best estimates say this strain will continue anywhere from ten to fifty years, more attention should be paid to the cure —as I believe WORLD is doing.

Danville, Ill. C. C. WILSON

Investment Frontier

At the suggestion of your Nairobi correspondent in "Opportunity & Risk" (WORLD, Jan. '54), I looked into Kenya as a possible field for investment. You will be glad to learn that I have already found an opportunity without risk—at least to myself. I have disposed of a consignment of Colt revolvers which have been gathering dust in my trophy room ever since 1867, when they were sold as Government Surplus by the Seventh Cavalry. This has made me bullish on Kenya, and I am now toying with the idea of sending—on speculation, of course—a companion lot of bows and arrows which were acquired about the same time from some surplus Comanches.

Fort Sill, Okla. GENERAL CUSTER

Tactics?

The military conclusions drawn by your correspondent, Mr. George W. Herald, in his article "Peace Through the H-Bomb?" are all the more disquieting because they seemed shared by the Administration's military planners in the Pentagon—for political if not for strategic reasons.

While the devastation wrought by such a weapon would be both too vast and too horrible for the human mind to contemplate, it nevertheless would not, tactically, bring about a reduction in the size of armies, desirable though this might be from every point of view.

On the contrary, the bomb's ability to inflict casualties on a scale not previously envisioned—and the consequent dispersal of troops which this makes necessary—calls for even larger aggregations of soldiers, if only to survive the casualties by mere mass. That is why nuclear weapons are not considered to be effective tactical weapons against, e.g., Red China.

CHARLES GOODWIN
Beau Sejour, Canada

Entente Cordiale

The British-American Fellowship is eager to obtain the names and addresses of Americans who would be interested in exchanging letters with British people of similar tastes.

Five thousand correspondents are already taking part in the project on both sides of the Atlantic, and this exchange of letters is doing much to increase mutual understanding between individual Americans and Britons.

Americans who wish to participate should write to the Secretary, British-American Fellowship, 20 Buckingham Street, London W.C.2, giving full particulars of the type of correspondent they require (e.g., age, sex, occupation, special interests, etc.). Applications cannot be acknowledged individually owing to the clerical work involved, but every applicant will be "matched" with a suitable correspondent as soon as possible.

The British-American Fellowship exists to promote in Britain and the United States a wider knowledge of the other's way of life and special problems, and, by the elimination of ignorance and prejudice, to encourage close and sympathetic cooperation between the peoples of the two countries. The Fellowship is independent and entirely non-political. Its president in Britain is the Viscount Cranborne, MP.

Americans who wish to join the British-American Fellowship as full members may do so on payment of an annual subscription of one dollar. (Please enclose a dollar bill rather than a check.) This entitles them to receive a monthly newsletter which the Fellowship issues on current affairs in Britain.

P. S. HADLEY
Chairman, British-American Fellowship
London, England

But why MEN over 45?

Our doctors still don't know *why*, but if you are a man over 45 you are six times as likely to develop lung cancer as a man of your age twenty years ago. They *do* know, however, that their chances of saving your life could be about *ten times* greater if they could only detect cancer long before you yourself notice any symptom. (Only 1 in every 20 lung cancers is being cured today, largely because most cases progress too far before detected.)

That's why we urge that you make a habit of having your chest X-rayed every six months, no matter how well you may *feel*. The alarming increase of lung cancer in men over 45 more than justifies such precautions. Far too many men die *needlessly!*

Our new film "The Warning Shadow" will tell you what every man should know about lung cancer. To find where and when you can see this film, and to get life-saving facts about other forms of cancer, phone the American Cancer Society office nearest you or simply write to "Cancer"—in care of your local Post Office.

American Cancer Society

LETTER FROM THE PUBLISHER

Dear Reader:

Last week, our Roving Correspondent returned from a six months' tour of Europe and Israel. On page 22, you will find the report of his visit to the wilderness retreat where former Prime Minister Ben-Gurion has just retired.

Leo Lania is well fitted for his assignment as world-roving correspondent. His personal history is unique, and in the expert qualifications he brings to his job he is typical of the professionals whose names appear on our masthead.

Leo was born in Russia in 1896 in the days of Czar Nicholas II. When he was a youngster, his parents moved to Vienna. There Leo grew up in the last elegance of the Hapsburg empire.

After being graduated with a doctorate in political science from the University of Vienna, Leo turned to journalism as a profession. He speaks four languages, reads three more. His first job: assistant to the young editor of the Socialist newspaper *Avanti* in Milan, Benito Mussolini. The year: 1912.

Lania's career in Italy was interrupted two years later by the First World War, which he spent as an artillery officer in the Austrian Army. Returning to Italy at the end of the war, Lania found Mussolini heading the rapidly rising Fascist movement—and himself at the opposite pole. He saw and heard much, wrote frankly of Fascist graft and corruption and the impending threat to liberty. Came the 1922

Leo Lania, *foreign correspondent, who survived two wars, three revolutions, four concentration camps—and the discovery of Hedy Lamarr.*

March on Rome by Mussolini and his Blackshirts—and Leo had to flee for his life. His next stop: Berlin, and a job as assistant to Edgar A. Mowrer on the European staff of the Chicago *Daily News.*

The greatest scoop of his career Leo scored the following year, 1923. Assuming a false name and using fake credentials, he managed to interview, and for ten days actually live with, a well-guarded German rabble-rouser named Adolf Hitler. Leo was among the first newspapermen to understand—and document—Hitler's threat to the world.

The Hitler interviews became the basis of a best-selling book *Hitler: The Gravedigger of Germany,* and two years later, in 1925, it was followed by *Traffic in Arms,* Lania's exposé of Germany's secret rearmament. These works earned him journalistic plaudits—and Hitler's undying hatred. "The most dangerous enemy of National Socialist Germany" Hitler called him in a signed editorial in the *Völkischer Beobachter* in 1933.

When Hitler came to power that spring, Leo crossed the border into France just one jump ahead of vengeful Nazi Storm Troopers. In the years that followed, he worked as a foreign correspondent in Paris, the Balkans, the USSR and the Far East, reporting the sorry sequence of appeasement politics.

When France collapsed in 1940, Leo Lania's world was shattered for the fourth time in as many decades. Hitler handed the Vichy government a list of 140 most wanted "criminals"; Leo's name was near the top. Put into a concentration camp for aliens, he escaped before he could be turned over to the Nazis, and finally reached the US in 1941.

After Pearl Harbor, he joined the OWI as an anti-Nazi propaganda expert. But only this summer, back in Germany after so many bitter years, did Lania discover that his 1923 book about Hitler had been used by the anti-Nazi German underground during the war for its own propaganda. They reprinted the book—hiding it under the cover of an eighteenth-century classic, Schiller's *Joan of Arc.*

After V-E Day, Leo, by now an American citizen, returned to Europe with the Joint Distribution Committee to help save surviving victims of Nazi persecution. In 1947, he became European correspondent for UN World. His first report: the last interview granted by Czech President Eduard Benes. His next book (his sixteenth) will be: *The Mysterious Death of Jan Masaryk,* analyzing the Communist coup in Czechoslovakia.

But reporting alone has not been enough for Leo. In his "spare" time he turned to playwriting. He wrote the first screenplay that starred Hedy Lamarr, whom he discovered in a Berlin dramatic school: *The 13 Suitcases of Mr. O. F.* It was followed by light comedies, serious plays for the legitimate stage, and more than a score of scenarios for French and German films. Sometime later this year, I hope to join Leo at the American première of a new Italian movie filmed from his script—*A Crazy Story.*

Meanwhile, you will be seeing Leo's on-the-spot documentary of the international scene—in WORLD.

Sincerely yours,

Roger S. Ridgeway

World

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COVER: A factory worker wonders if he and 42 million other Frenchmen who make up the ailing Fourth Republic could be wrong. For an analysis of the ills troubling him and his impatient allies, see p. 9.

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IS FRANCE FALLING APART?

A diagnosis of the political ills which have turned the pivot of Western defense into a new "sick man of Europe"

By DAVID SCHOENBRUN

It is clear by now that the major objective of Soviet policy at the Berlin conference is threefold: to alienate France from the West, to disrupt European unity, and to block the formation of a European army. It is also clear that France today presents an easy mark for such an attack on the Western coalition. Beset by pressing problems at home and abroad, this once great nation is unable to make up its collective mind. The great historic question of our day is: What ails France? Here WORLD publishes an answer by one of America's best-known radio commentators, the Paris correspondent of the Columbia Broadcasting System and author of the forthcoming book All Gaul—A Case History of France.

PARIS

ON ONE of his last days in office as President of France's Fourth Republic, Vincent Auriol told the Assembly of the French Union, foregathered in the Palace of Versailles, about a dream which had come to him.

It was July 14, he said, and the people of France were celebrating the national holiday with a gaiety and abandon which they had not known in many years. In Paris there was dancing in the streets, and laughter and song. Tall, strong Berbers from Morocco waltzed across the flagstones with petite Parisiennes; burnoosed Tunisians sipped tea at sidewalk cafés while Paris workers in blue denim drank the raw red wine of Algeria. From every corner of the old French Empire men of every color, race and religion had come to celebrate the new Union of France, a commonwealth of free, independent but associated states.

They had come from Madagascar off the southern shores of Africa, from islands in the Pacific, from the jungles and rice fields of Indo-China and from tiny islands in the Caribbean Sea—black men, brown men, yellow men, to join their white brothers from Marseilles on the Mediterranean and Strasbourg on the river Rhine, from the coalfields of northern France and the salons of Paris, meeting and mingling without distinction of race, religion or class to show the world that France was a world brotherhood, that its culture, arts, efforts, sacrifices and civilization had brought and held together nearly two hundred million people who paid allegiance to the flag of France as to their own.

Twin symbols of French endurance: Messieurs Auriol and Coty, who survived the Third Republic to become first and second Presidents of the Fourth.

"All Gaul is still divided into three parts . . .

France holds the world's record not only for cabinet changes but for drastic alterations in its Constitution and basic form of government.

In the past 165 years, France has been ruled by no fewer than twelve different regimes—kingdoms, empires, republics and dictatorships:

1. **The Capetian Monarchy,** ended by decree of the National Convention, September 22, 1792.

2. **The First Republic,** ended October 1795, after Convention voted new Constitution and dissolved.

3. **The Directory,** Overthrown by coup d'état November 9, 1799, under Napoleon's leadership.

4. **The Consulate,** ended by decree May 18, 1804, when Napoleon was proclaimed Emperor.

5. **The First Empire,** ended April 6, 1814, with Napoleon's abdication at Fontainebleau.

6. **Restoration** of the Monarchy, ended by the "Three Days of July," 1830 revolution.

7. **Orleanist Monarchy,** overthrown by 1848 revolution, when King refused to extend vote.

8. **Second Republic,** ended December 2, 1852, when Napoleon III was elected Emperor.

9. **Second Empire,** ended when Napoleon III, defeated by Germans, abdicated September 4, 1870.

10. **Third Republic,** ended by vote of National Assembly, July 10, 1940, after surrender to Hitler.

11. **Vichy Dictatorship,** ended November 11, 1942, when Germans occupied all France.

12. **Fourth Republic,** set up after Liberation, September, 1944. Constitution adopted October, 1946.

"This dream," said Vincent Auriol, "was not realized in my time in office. I will it, however, to my successor; and I hope that some day soon you will see it become a reality."

On New Year's Day of 1954, when these words were spoken by the outgoing President of France, such a dream seemed to be the wildest possible fantasy. A bitter war was being fought in Indo-China, a war which had begun in December 1946, the longest war of this century and the only hot war in the world today. Indo-China alone contains almost 30 million of the 190 million people of the French Union. In Morocco, Arabs, Berbers and Frenchmen were living in an uneasy armed truce broken sporadically by a pistol shot in the night, a grenade in a market place, a wreck on the railway lines.

In France itself, in the very Palace of Versailles where the President spoke his farewell words, the deputies of the Fourth Republic had wrangled through seven days of bitter deadlock and thirteen ballots in order to elect a new President who by all previous experience should have been chosen on the second or third ballot. France was sick with crisis—so sick that there were many who questioned whether she would ever be healthy again.

Yet Auriol's statement shows another feature of French political life as characteristic as the nation's present indecision and disunity—the almost fierce nostalgia and envy for stable political institutions, and particularly those of Great Britain, whose Coronation last June with its emissaries from Commonwealth nations all over the globe inspired Auriol's dream. Like a sick man longing for health and envying it in others, France yearns for the time when the government will know stability again, and her worldwide Union peace and strength.

For the crisis of the French Union is only one of the many crises which beset France today, crises affecting almost every sector of her life—political, economic, social, diplomatic, financial and industrial. French disunity has become almost a cliché. Every schoolboy knows the dictum of Julius Caesar: "All Gaul is divided into three parts." That was said more than two thousand years ago, but it is as true today as in 52 B.C. when Caesar's legions entered Gaul. Today, in fact, the tripartite division of France has fragmented even further; today all France can be said to be divided into six parts—or sixteen—depending on the analyst and the sector of national life being studied.

Seldom in history has the jigsaw puzzle which makes up the political life of any nation been so thoroughly broken down into its components; it is little wonder that, looking at such a picture of disruption as was presented in the Presidential elections at Versailles,

. . . Right, Left, and Center"

Frenchmen and foreigners alike ask themselves if it can ever be fitted together again.

Roughly, however, the old tripartite division still prevails. The jigsaw puzzle pieces, scattered though they are, fall into three main groups: the Left, Center, and Right. About a dozen political parties or movements are comprised by these groups, but the principal factors are six in number. These six among them divide the 627 seats in the National Assembly on an approximately equal basis.

On the Left are the Communists and the Socialists—bitter enemies of each other. Thus the Left is divided, so weakened that it has not been able to make a serious bid for power on its own. In the center are the two big groups of the Catholic MRP, or Popular Republican Movement, and the middle-of-the-road Radical Socialists, who are neither radical nor socialist, but more like liberal Republicans. On the Right are the followers of General De Gaulle and the so-called Independents, a heterogeneous collection of individualists without a common program.

Thus Left, Center, and Right are fragmented and unity is almost impossible for them to achieve. Where a majority might be possible—for example, on a domestic economy program—it falls apart on foreign policy, for the Right is nationalist and the Center internationalist in trend. But even such very general characterizations are misleading; no single tag describes all the members of any one group.

The trend throughout 1953 which is most likely to continue in 1954 does, however, indicate four distinct movements to form majorities out of these individual units:

1 The new Communist line calls for a "national front" movement. This is based on a reversal of French foreign policy and advocates, above all, ending the Indo-Chinese war, increasing trade with China, putting new emphasis on the alliance with Russia and rejecting unity with Germany.

There seems to be little danger that this Communist program will attract parliamentary votes; but it has undeniable appeal for many sections of the French population, who are war-weary, fearful of Germany and have an old nostalgia for a Russian alliance. But such a "national front" could only come about if there seemed to be a real threat of an authoritarian coup from the Right led, perhaps, by a Marshal of the Army, traditional bugbear of all French republicans.

2 The Socialist party challenges the Communists with its own "social and democratic front." Proposed by party leader Guy Mollet, the concept goes back to the Second Republic in the mid-nineteenth century. It is based on radical reform of the economic and social sectors, a redistribution of wealth through

The recent deadlock of the French Parliament, which took thirteen ballots to elect Senator René Coty President of the Republic, emphasizes the fact that the office, contrary to popular belief, has been the object of bitter political controversy ever since it was instituted following the 1848 revolution. Significantly, out of the first sixteen Presidents, only five completed their full elective terms.

► **1. Prince Louis Napoleon,** elected December 1848. Elected Emperor December 1852, after 1851 coup.

► **2. Louis-Adolphe Thiers,** republican, chosen provisional President February 17, 1871. Compelled to resign early in 1873.

► **3. Marshal Marie Patrice de MacMahon,** monarchist, elected May 24, 1873. Forced out in January 1879.

► **4. Jules Grevy,** republican, elected January 1879, re-elected January 1886. Resigned December 1887, after scandal over graft and sale of decorations by his son-in-law, Daniel Wilson.

► **5. Sadi Carnot,** republican, elected December 1, 1887. Assassinated June 1894.

► **6. Jean Casimir-Perier,** rightist, elected June 1894. Resigned when repudiated by Chamber of Deputies, January 5, 1895.

► **7. Felix Faure,** elected January 1895. Died February 16, 1899.

► **8. Emile Loubet,** elected February 1899. Served full term.

► **9. Armand Fallieres,** elected February 1906. Served full term.

► **10. Raymond Poincare,** elected January 1913. Served full term.

► **11. Paul Deschanel,** elected January 1920. Resigned September 1920.

► **12. Alexandre Millerand,** elected September 20, 1920. Resigned June 1924.

► **13. Gaston Doumergue,** elected June 1924. Served full term.

► **14. Paul Doumer,** elected July 1931. Assassinated July 1932.

► **15. Albert Lebrun,** elected July 1932, re-elected July 1939. Ousted July 1940, when Assembly named Pétain chief of state.

► **16. Vincent Auriol,** elected January 1947. Served full term.

What next for the French—a Popular Front . . .

overhaul of the tax system to give French workers a fair share of the benefits as well as the sacrifices of national life. It is also motivated by strong international idealism and favors European union in a federation reconciling France and Germany in a new superstate.

This movement is supported beyond the Socialist party itself by such leaders as Pierre-Henri Teitgen, president of the Catholic party, and Defense Minister René Pleven, one of the leaders of the Center. It has wide appeal to liberal Republicans, Catholics and Socialists, and even reaches into the ranks of some of the Gaullists and Independents. The great problem of this front is to reconcile the Socialist view of national economics with the liberalism and rugged individualism of the Right and Center. It has a chance if economic conditions worsen and if there were a "strong-man threat" which would make these groups work together for their own salvation. The "social and democratic front" might be called a possible but not probable solution in the coming year.

3 The "New Deal" group which, at the same time, could also be called "France First." Its most important leader is Pierre Mendès-France. He believes that French society must be drastically overhauled before any foreign policy can succeed. "France before Europe" is Mendès-France's argument; on any other basis, he warns, unity with Germany would be the union of an iron pot and a clay pitcher, with France, the clay pitcher, breaking at the first stress.

The New Deal group advocates an austerity program on the British Labor party model to make France live within her means and put her own house in order before attempting any world adventures. And that, in Mendès-France's view, means cutting French commitments, notably the war in Indo-China. Though he has never publicly stated how he would end the war, his conviction that it must be ended has now been generally adopted by all the political parties. Mendès-France is one of the likeliest candidates to lead a new reform government made up of men from every party should the French social and national situation deteriorate this year. A depression in the United States, reduction of US aid or trade, or a diplomatic crisis brought on by French reluctance to ratify the European army might well put Mendès-France and the New Deal group in power.

4 A new right-wing movement headed by former Premier Antoine Pinay was launched in November, partly in reaction to the "social and democratic front." Pinay is very popular with the middle class—the small businessmen and small landowners who are still the backbone of French society or, more accurately, the best organized for exercising political power.

Pinay knows that the stagnation of French life is embittering the people and imperiling democracy; he realizes that the government must pursue a more progressive policy if it is to avoid a real danger of dictatorship from Right or Left. His support is widespread, and he or some other independent is the best single bet to head up a new conservative coalition capable of introducing a liberal policy.

Summing up these four major movements and their chances in the coming year, one might aptly quote the title of an astute and widely read political brochure published at the end of 1953: "Pinay or Mendès?" One or the other may be France's man of 1954.

Which Crisis Comes First?

But the troubles facing any government with strong ideas on renovating France are stupendous. There are so many crises facing these various groups that it is difficult to know where to begin the work of repair and renewal. France, like the wonderful one-hoss shay, seems to be falling apart all at once.

Most observers believe that the most urgent reform is constitutional, that above all France must have government stability to permit *any* kind of majority to stay in office long enough and with enough authority to carry out a program. In this respect, the choice of the new President, René Coty, was most significant. He is an expert on constitutional law. He began his fight for stable government before the last war, appealing for an increase in executive powers.

As President of the Republic, he is in a key position to advance his ideas. For it is Coty who designates the Prime Minister, and he can bring considerable influence to bear on the man he chooses.

It was at Versailles Palace, where Coty was elected, that the French Revolution was precipitated in 1788 in a bitter political deadlock which has a significant parallel to the Presidential election 165 years later in December 1953. At the time of the Revolution, too, France was divided into three parts. They were called, not Left, Center, and Right, but the Three Estates: nobles, Church, and commoners. Church and nobles were the "upper" classes which had united in order to retain their privileges and power against the rising commoners, called the bourgeoisie. Today it is the bourgeoisie, the so-called middle class, which is trying to retain *its* privileges and power against the challenge of the working class.

It was the foolish and futile attempt of the Church and nobles to stem the tide of history that brought on the French Revolution and set in motion a chain reaction of wars and counter-revolutions which continue to this day. Revolutions are always caused by those who try to stop them. The same tragic mistake is being made in France today, though with new actors.

. . . a New Deal, or a New Caesar?

The middle and working classes of France have not been able to attain a community of interests such as capital and labor have achieved so notably in the United States. On the contrary, the contrast between individual wealth and poverty is sharper than ever; in a very real sense, the French worker is being deprived of his share of the national pie. The tortured machinations by which the government has kept down the worker's wages and his standard of living have long since gone beyond the scandalous to the tragically ludicrous.

Thus, it is small comfort for a "bachelor light worker" to know that he is entitled, in the opinion of the High Commission on Collective Agreements, to one shaving brush every ten years, two Camembert cheeses, 15.9 ounces of butter and 20 pounds of potatoes a month, and that the width of his bed may be 31.5 inches, no more and no less. Yet this is the humble existence which the Commission deemed suitable for him last year when, after the summer strikes, it was called in by the government to try to settle the problem of the worker's standard of living.

The religious issue, too, plays a major role in the divisions of French politics, and at critical moments has prevented a reconciliation of the differences between the two classes. The conflict between Church and State engendered in the Revolution continued throughout the nineteenth century right down to 1905, when the men of the Third Republic finally legislated their separation and, so they thought, laid the issue to rest forever.

In the Presidential election of December 1953, however, it flared up again as violently as ever. On Sunday, December 20, in the fourth day of deadlock, the Catholic deputies went together to attend Mass and seek Divine guidance. They chose, of all places, the Royal Chapel of Versailles Palace, the very symbol of the union of Church and autocracy, a chapel which had been closed since the separation act of 1905. This was taken as a direct provocation by the Republicans and Socialists, and they swore to defeat the Church-backed candidate.

That candidate was Prime Minister Joseph Laniel. He might have been President; but the deadlock continued until thirteen ballots had been cast and a compromise was reached on René Coty, who had not been involved personally in the quarrel.

Thus, to understand the French crisis of today it is necessary to go back into French history all the way to the Revolution, that great Revolution which is still unfinished. There has been an unresolved battle for power in France since the Fall of the Bastille on July 14, 1789. At least once in every generation, since that day, France has been rocked by explosions. This terrible record of recurrent calamities, culminating in

(*Continued on page* 70)

The victims: *in Paris a parade of wounded veterans, resistance fighters, and deportees (wearing the stripes of the concentration camp) protest giving "more billions to Krupp" for rearmament of Germany.*

An Interview with the Chancellor of West Germany

ADENAUER ON THE BERLIN CONFERENCE

By GEORGE W. HERALD

WORLD's Chief European Correspondent

BONN

GERMANY has entered its year of destiny. The men of Bonn are convinced that 1954 will be decisive for the future of their country. West Germany's leaders don't believe that the Berlin four-power conference is going to solve all their problems overnight—I never met a group of statesmen with fewer illusions—but they are confident that substantial progress toward their goals of reunification and European integration can be made in Berlin if the Western allies play their cards right.

Bonn will not have any official voice in Berlin but its opinions weigh heavily in the councils of the Allied negotiators. What are these opinions? What fundamental views will inspire the day-to-day advice that the Bonn "kibitzers" will offer in a poker game that means as much to them as to the players?

To find out, I went to Schaumburg Palace, the huge white mansion on the Rhine from which Chancellor Konrad Adenauer runs West Germany with a firm, paternal hand. It was the day after the Chancellor's seventy-eighth birthday and I found him fit, erect and quick of mind.

Since Dr. Adenauer is a man who doesn't like small talk, I went right to the heart of the matter:

"Do you believe, Herr Chancellor, that the four-power conference in Berlin can produce an agreement on German reunification?"

"Well, you know our demands," he answered. "We want free, all-German elections, their democratic character to be guaranteed by four-power supervision. The constituent assembly thus elected will install a central German government with which a peace treaty can be concluded. I sincerely hope that the Russians will agree with the Western powers on this sequence of events. Every country has the inalienable right to its own unity, and we cannot be refused that right in the long run."

"Would your government cooperate with the East German authorities in the technical preparations for a free election?"

"Technical contacts on a low level may be inevitable; we have them already, you know, in the interzonal traffic. The organization of such elections will be the responsibility of the four powers."

"Some people allege that you are not seriously looking ahead to reunification. I understand that, on the contrary, you have set up special advisory commissions to seek workable solutions for the economic and administrative problems bound to arise from reunification. Is that correct?"

"Yes. These commissions have already submitted their first series of recommendations. They are currently under study."

I learned that Bonn is planning an immediate economic revival of the East Zone by large-scale deliveries of coal, iron, steel, electric power and consumer goods. Freedom in agriculture and the free sale of farm products are to be restored at once. At the same time, the Bonn commissions are considering schemes for a prompt currency reform, the denationalization of certain industries, and the adjustment of prices and wages in a united Germany.

"Now," I asked the Chancellor, "how, in your opinion, would reunification affect EDC?"

"An all-German government would have to declare itself as to its acceptance of the rights and duties stipulated in the EDC treaty. In view of the upris-

Chancellor Konrad Adenauer: "Peace and security for all."

"Germany will choose Europe and freedom."

ings in the East Zone on June 17, and our election of September 6, I have not the slightest doubt that all of Germany would choose Europe and freedom."

"But if the Big Four agree at Berlin on the principle of free elections, considerable time may still elapse before these elections take place and an all-German government can declare itself on EDC," I pointed out. "Do you feel that, in the meantime, the process of German integration into Europe should be suspended?"

"No," Dr. Adenauer exclaimed. "The realization of EDC must go on. Germany's integration into Europe remains indispensable for everyone's security, and that includes France and Russia."

I asked the Chancellor to elaborate on that point.

"There are three different reasons why we are for EDC so fervently," he said. "First of all, EDC makes any future war between its partners impossible. Second, the pooling of their resources protects EDC members effectively against outside aggression. Third, no member would be able to launch an aggression of its own against an outside state."

"Well," I observed, "there seems to be some argument on that last point. Many Frenchmen have told me they are afraid that they might be drawn into a new conflict by a Germany bent on reconquering the territories east of the Oder-Neisse line. Have you ever advocated the reconquest of these areas by military force, Sir?"

The Chancellor stiffened in his armchair.

"I never did and I never will," he declared. "It would be criminal to try to regain those territories at the price of new graves. Nothing is condemned more severely by the German people than a policy that would risk a new conflagration. We want to solve all these questions by peaceful negotiations only. Moreover, Germany couldn't make war without the consent of her EDC partners even if she wanted to. The German contingents in the European army would depend on the common pool for their supplies of fuel and ammunition. That's why any talk that we might push the world toward a third world war is sheer nonsense."

"Nevertheless, Herr Chancellor, as you know, the Russians claim over and over again that EDC would endanger their security by reviving German militarism. Do you consider their fears legitimate?"

"Not at all. I do not even think that such a fear exists. The entire structure of EDC is designed to make it a purely defensive organization. It simply isn't equipped for aggression. It expressly limits the number of German divisions and subjects them to international control. This limitation alone constitutes an essential security factor for the Eastern neighbors of the Defense Community. It forms the best safeguard against precisely the kind of adventures and revival of militarism the USSR professes to fear."

Dr. Adenauer paused in thought for a moment.

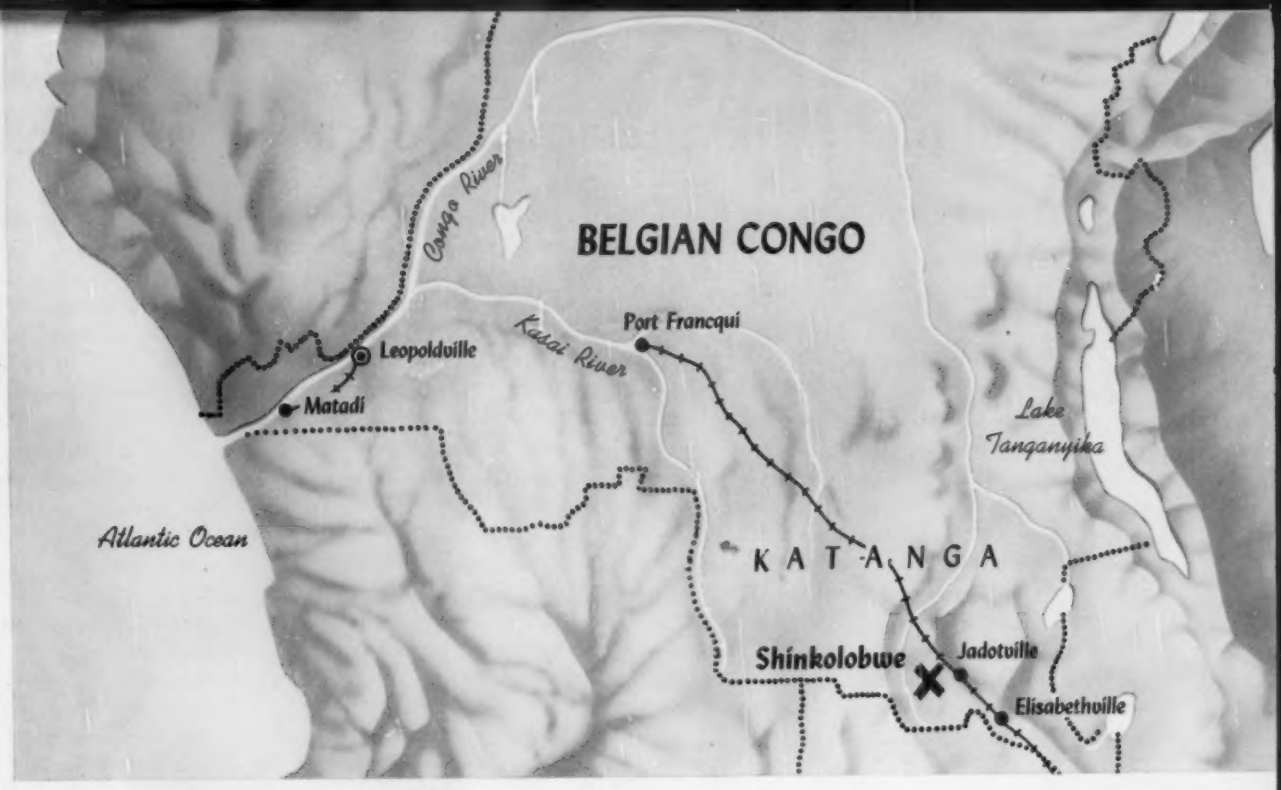
"If any one should be anxious about his security," he continued, "it isn't the Russians, I think, but the Western Europeans. For reasons we can only suspect, the Russians argue that Europe's defense is no longer necessary since their new government harbors no designs of aggression. They would like Europe to rely upon Soviet 'good will' alone. Now I think the Europeans don't want to depend on anyone's 'good will.' They cannot renounce their own defense and integration merely to please Russia. For Europeans, integration has a meaning of its own quite independent of whether or not Europe is threatened by the USSR, and no one will be able to stop that integration in the long run."

"What progress, then, do you believe the Berlin conference can make under these conditions?"

"Well, everything in politics is a matter of give and take, as you know," the Chancellor answered. "The Berlin conference will offer the Soviets an opportunity to prove that they really want to ease international tension. They can help speed up the process of German reunification. They can clear the way at last for an Austrian peace treaty. If they give such concrete tokens of good faith, I am sure the West will be ready to help build a system of European mutual security, satisfying all reasonable requirements."

The Chancellor made it plain that he did not want to discuss the possible structure of such a system at this time, since he did not want to prejudge the issue before the conference. I gathered that he hoped a comprehensive security system in Europe might prepare the ground for a progressive general disarmament in which considerable funds now being spent on weapons would be freed for an increase in the international exchange of peaceful goods. Leaning back in his chair, Dr. Adenauer concluded with a wistful air:

"No one ever called me a visionary, but I know today that the means utilized by mankind to arm, to destroy, to build up again, and to arm again could have transformed the whole earth. They could have rendered it a better, more fertile and happier place to live in. I may not see the day when that fact will at last be realized by everyone concerned, but I shall be satisfied if my efforts, however modest, helped bring nearer this new era of peace and security for all."



The forbidden mines of Katanga

By Robert Deindorfer

SHINKOLOBWE, BELGIAN CONGO

ON A high, rolling plateau only a few blistering degrees south of the equator in the Belgian Congo is what a good many authorities believe to be the most valuable hole in the ground in the Western world. A few years ago the hole didn't amount to much, and the day may come when it will again be forgotten. But now, in 1954, its importance in terms of life and death is beyond all calculation.

Once it was little more than a huge gap, half a mile wide, in the red, burned earth. Nearby stood a tall wood frame hoisting rig, two small buildings and clumps of mud-walled, straw-topped native huts. All around the clearing the thick African bush closed in, shutting it off from the outside world except for a narrow road that twisted over the ragged face of the plateau toward a village half a day away by foot.

Today, out of the deep, shafted hole at Shinkolobwe in the Congo's thriving Katanga country come hundreds of tons of pitchblende, the major uranium ore. This dark, dense, steely-looking substance, dug from the largest and richest known uranium deposit in the free world, supplies the bulk of the explosive for America's growing stockpile of atomic weapons. Without this far-off jungle depot, the source of more than half our supplies, the whole US atomic-arms program would lag dangerously.

In the Congo, officials are aware of their awful responsibility and they have taken every precaution to protect the precious hoard. An elaborate security screen runs for many miles around the mine area. Alarm systems, roving patrols, heavy firepower and thousands of picked native troops brusquely reinforce the No Trespassing signs. For outsiders these devices come as a rude surprise because few of them have heard of Shinkolobwe—security has seen to that.

Not so long ago a foreign businessman encountered one of these defense outposts. In a bush hotel he and the desk clerk were chatting pleasantly until he in-

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Day and night, the precious ore travels seaward

quired about a road which happens to lead to the Shinkolobwe plateau. The small talk came to an abrupt end.

At the mention of Shinkolobwe, the clerk excused himself long enough to call a familiar telephone number and report the visitor's question. Immediately, jungle-trained agents began tracing the traveler's movements since he had entered the region. In Léopoldville, almost a thousand miles away, a clerk thumbed through a thick index of suspects, seeking a name or a description that might fit. After two jittery days the visitor was classified as a bona fide businessman. The security forces breathed easier again.

The Congo-wide series of events touched off by the telephone call illustrates what happens these days when anyone approaches mysterious Shinkolobwe, even conversationally, without proper credentials. The Belgians cannot afford any margin for error.

On a flight over thick tropical rain forests, toward the mine, one young security officer put into words what few others will even discuss. "One small slip on our part might be fatal," he said. "In just ten minutes an accomplished enemy saboteur could put the mine out of operation for as long as two years. I said two years. Could America hold out for two years with the poorer ores from Canada and your own West?"

BEHIND its tight security fence, the mine lies in the southeast corner of the Belgian Congo close to the Rhodesian border. The nearest city, Elisabethville, is almost a hundred back-breaking miles away by automobile. One of the richest properties in Africa, this mine has a curious history; it is the old story of supply and demand.

During World War I a young company prospector working for the great Belgian Union Minière was mucking his way through a thickly overgrown area populated mostly by wild animals, searching for copper, cobalt or manganese, when his pick struck a hard substance. Just below the surface he found a dense, dark ore streaked with blues, yellows and greens, known as pitchblende, richest of the hundred-odd known uranium-bearing minerals. Thus the Congo found itself in the uranium business.

A battered signpost *points down a closely guarded trail to democracy's precious mines.*

There wasn't much at the start. In those days no real market for uranium existed, and although the deposit assayed roughly 60 per cent, everyone involved regretted it hadn't been another copper or cobalt find. Yet the company did the best it could with this new property, which was to treat it for radium.

At first an informal work gang of four Europeans and several score tribal natives hacked out the ore and shipped it off to the refining plant in Brussels. During the peaceful interval between the wars Shinkolobwe twice suspended operations—no profits. With so many valuable minerals to dig out of other parts of the Katanga, Union Minière officials weren't interested in the gaping hole at Shinkolobwe.

Then one June afternoon in 1940 a company director named Maurice Van Weyenberg was sitting in his office in Elisabethville shuffling through a last set of business papers. Although Belgium had already fallen to the Germans, the Congo remained free and independent, a great storehouse of raw materials for the Allies. A clerk bustled in and put a cable from the New York office on his desk.

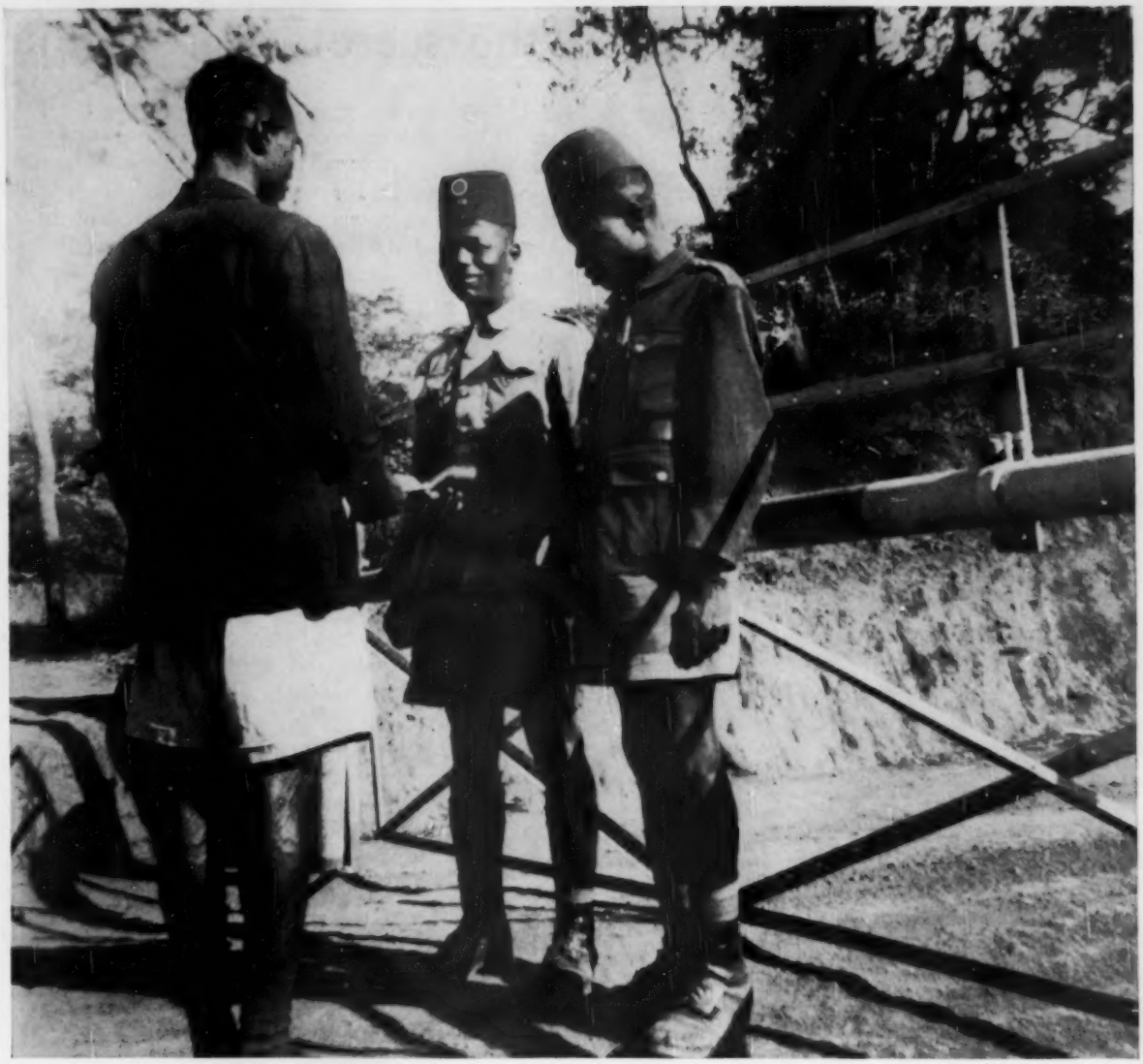
It was an order to ship all available uranium stocks to New York immediately.

To an old mining man like Van Weyenberg it was just another order, but the board of directors realized the company might have a pretty good thing here. Ore that had been going begging suddenly began to sell for $1500 a ton—and in the hundreds of tons.

The mine got bigger all the time, expanding to meet the insatiable demand. Up in the densely populated Ruanda-Urundi area near the Mountains of the Moon, husky natives were recruited for work; packed in planes, along with their wives, children, dogs and goats, they were flown to Shinkolobwe. At the mine a special railway was built, plus a big camp town of huts, and ore began rolling off to the ports for the long voyage to America.

The big orders baffled Van Weyenberg as much as anyone else, although he suspected they had something to do with the great American cancer research projects he had been reading about. But he never knew exactly why they were selling so much uranium ore, or what was happening to it, until one day, five years later, he picked up his copy of the daily *L'Essor du Congo* and read the big black scarehead: Hiroshima.

During those five prosperous years, while thousands of tons of ore were being shipped, Shinkolobwe had the same security measures as other company mines in the Katanga, meaning almost none. World events changed this, too. When it looked as if the United Nations' ambitious attempt to win a durable world peace had been upset by the USSR and its satellites,



***A native miner** shows his identity badge to guards at the inner entrance to the mine. Badges contain special photographic plates to check on dangerous radiation. Geiger counters are also used. So far, no miners have been harmed.*

the Congo Sûreté decided that stringent security measures were needed to ensure the flow of atomic raw materials to the United States.

First, an order went out to all mapmakers to wipe the pinprick Shinkolobwe off their new maps. Next, figures on pitchblende shipments were dropped from the Belgian Congo export tables: if Soviet scientists knew the size and value of shipments they could estimate how many bombs America could stockpile.

In a country almost half the size of the US, inhabited by 60,000 Europeans and nearly 11 million natives, defenses had to run all the way to the most distant borders for strategic reasons. Along one frontier lies French Equatorial Africa, which contains a dangerously high proportion of Communist party members left over from a liberal postwar policy. Not far to the east, in Ethiopia, Addis Ababa serves—or so reliable observers believe—as Russia's undercover headquarters for an alarming amount of missionary work all over the African bush.

Before long, systematic patrols and tight checkpoints buttoned up what had formerly been loose and haphazard borders. At such critical spots as the hydroelectric station which supplies the power for Shinkolobwe and railway yards along its shipping routes, tough combat militia, part of the Congo's growing defense force of 20,000 troops, stand guard in large, well-equipped garrisons. In other, often overlapping regions, plain-clothes agents and territorial police question travelers, fill out security forms and fearfully await a sound they hope never to hear—the emergency signal from the mine.

A big headline revealed the secret: Hiroshima

On the single road running into Shinkolobwe, black, goggled motorcycle troops, automatic weapons strapped to their backs, raise clouds of red dust as they skitter back and forth in patrol formation. Jeeps, small armored cars and weapons carriers prowl the region and occasionally shoot off into the interior searching for interlopers.

"Few outsiders know anything about our 'secret weapon'," a security man told me. "It's the bush telegraph—the tom-toms. If a native sees a stranger in his district he tells his chief. The chief sends word to the next village by drum, and it passes right up the line. It's almost as good as radar."

For all but the most influential outsiders the road to Shinkolobwe, after climbing the easy slopes of the plateau, ends at the start of Defense Zone A, a mile-wide outer band looped around the smaller, even more restricted mine area. A heavy metal gate, manned by native soldiers dressed in shirts, shorts, brass buckles and bright red hats, bars the way. The askaris stop the car for a thorough inspection: passes, passports, permits, all sorts of identification. In a guardhouse beside the gate, one of them cranks a telephone and calls for a Belgian territorial man stationed inside, to act as escort for the stranger's visit to the forbidden area.

A garrison of some five hundred native troops, under European officers, shores up the defenses in Zone A. Armed soldiers in khaki uniforms stiffly walk sentry duty around the mine supervisors' and the native huts. Up in tall wood towers, strategically placed to provide straight fields of fire, trained marksmen sit behind their machine guns in four-hour shifts. All around the zone you can hear the faint, ominous clatter of weapons.

Through the first of a series of three ten-foot, triple-strand barbed-wire fences which open only at cement guardhouses, a dirt road winds around a hill and disappears. Beyond it lies the mine. Among the many distinguished visitors who got no further than Zone A are US Ambassador Robert Murphy, the former Prince Regent of Belgium and a score of top Allied security experts.

One of the few non-mining officials who has actually been in the mine is Eugene Jungers, a short, muscular, affable man who put in thirty years as a Congo administrator before he became Governor-General. "There isn't really much to see," he told me. "Gangs of natives dig out what look like pieces of coal; they're about as big as my fist."

For the last two years the mine has operated around the clock. The employees—100 Europeans and 1000 natives—converse in the old East African slave drivers' language known as Swahili: *bwana, jambo, mingi misoori.* In what is essentially a white man's world, although a far kinder and gentler one than exists in most other African countries, black and white get on well together.

The workday begins promptly at six a.m. as crews of stalwart natives—never allowed outside their housing zone until they finish their three, six or nine-year work terms—walk through a gate into the first barbed-wire enclosure, then through a second and a third gate. They change into heavy cotton shorts, light shirts, safety shoes, red bakelite mining caps, and put on identification badges before going down the shaft.

All morning they bore holes in the walls of the mine. At one o'clock, after returning to the surface, they turn in their badges and wait until inspectors hold them up

***A native village** houses miners and their families. Built by the Belgian government, these make clean and tidy versions of miners' jungle homes. Schools and hospitals provide complete social and medical care.*

to the light. By checking the unexposed film on the back of the badge, the inspectors can tell whether a worker has been exposed to too much radiation.

On their way out the workers pass through Geiger counters, checks and inspection gates. At three p.m., when the dust from the borings has settled, blasting crews descend and blow out the borings. After that, right on through the night, the ore is picked out and brought to the surface, where other laborers load it into freight cars.

At night—and only at night—the freight cars roll out on a narrow-gauge railway for Jadotville, twenty miles away. Because of the remote chance that natives in the vicinity might be enemy agents, no count of this ore is taken. At Jadotville security people continue the tight secrecy. Until recently only pitchblende went out in the heavy yellow steel drums marked with code numbers on one end. Now, to make a count impossible, other non-fissionable minerals are packed in similar containers. Among security people, this is called "putting out smoke."

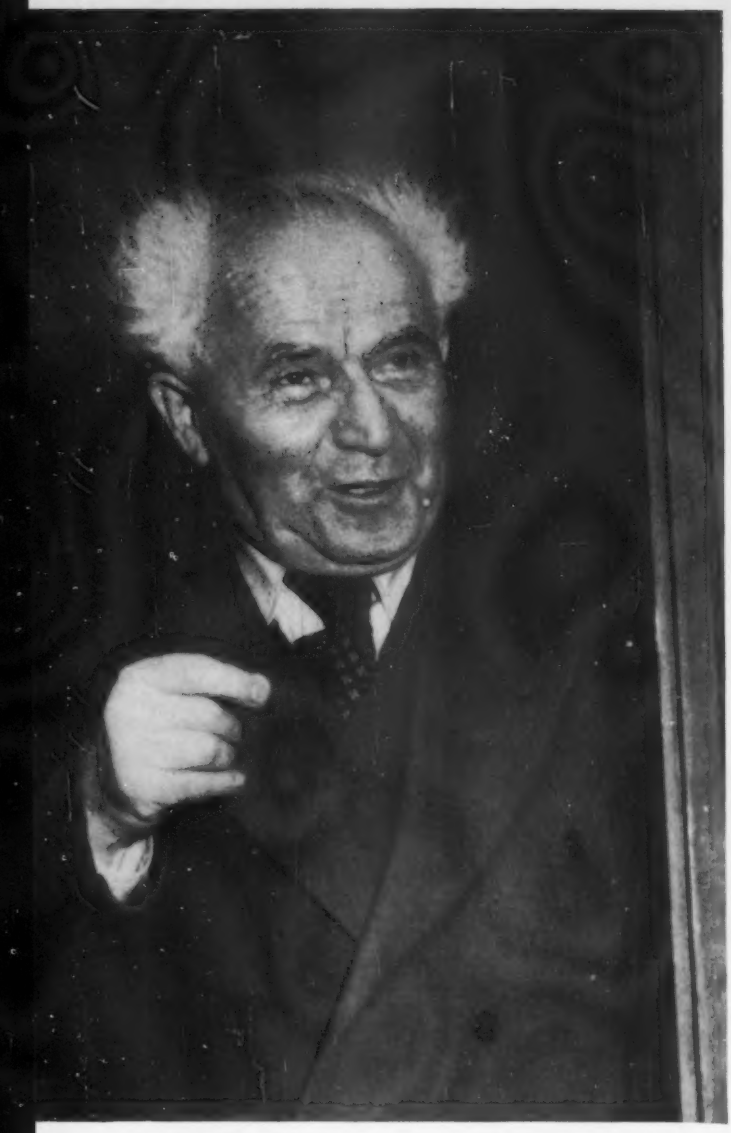
Through bush towns like Lubudi, Bukama, Kanda Kanda, Dibaya and Mweka the sealed, guarded cars roll up to Fort Francqui on the Kasai River. Paddle-wheel riverboats take over where the railway ends, moving the ore up the Kasai, into the Congo and east to Léopoldville. Picked crews hurriedly reload the ore on another narrow-gauge railway for the roller-coaster trip around Stanley Falls and through the undulating Crystal Mountains to the bustling little port of Matadi, eighty miles up the Congo from the Atlantic.

There the steel drums are listed on the shipping manifests as crude mineral ore. Not long ago a confidential memorandum to all captains revealed the great urgency: "Every effort is to be made to load this cargo so as to provide priority of discharge upon arrival at New York into lighters." One after the other, the ships slip down the broad Congo, reaching for open water and the long voyage to America.

***Rare photograph** of inner mine area shows a native guard with bayoneted rifle, administration barracks in background.*

In New York recently a longshoreman who was unloading cargo said that the name Shinkolobwe didn't mean anything to him. Maybe not. Yet the outlandish name of an outlandish region half a world away effectively masks its immense value. In the desperate struggle for survival at a time of vast military preparation for what may lie ahead, we reach out to many lands for the strategic raw materials of war. But nowhere do we look so anxiously, or with so much satisfaction, as to a hole in the ground at a place called Shinkolobwe in the far reaches of the Belgian Congo.

***A native guard** paces along dirt road leading to first entrance of the mine area. For many years, this was Shinkolobwe's only link with the outside world. Today, a narrow-gauge railway transports ore.*



Ben-Gurion: a founding father at odds with his young state

A Prophet Abdicates

The personal drama behind Ben-Gurion's resignation as Israeli Prime Minister

By Leo Lania

Roving Correspondent for WORLD

JERUSALEM

A FEW days after David Ben-Gurion announced his resignation as Prime Minister of Israel, a dozen of his closest friends and collaborators, who like everyone else were wondering about the real reason for his sudden decision, received a strange letter from his private secretary. It contained only a typewritten copy of Kipling's short story, "The Miracle of Purum Bhagat." In this tale of the Prime Minister of a small but progressive Indian state who abruptly resigned his office and retired to an inaccessible spot in the Himalayas, they found a key to Ben-Gurion's action. For Purum Bhagat, while climbing a high peak one day, discovered an impending avalanche which threatened a town on the mountainside. He warned the people in time and thus saved their lives. Today he is worshipped as a god; but few remember that the god to whom they pray was once only a common mortal, Sir Purum Bhagat, Oxford educated, a member of the Royal Academy of Sciences and other learned societies.

The allusion Ben-Gurion's secretary wanted to convey—with or without his chief's knowledge—is obvious: Although the Israeli leader is giving up his office he will continue to watch over the destinies and the well-being of his people. Yet the story still does not fully answer the question everyone in Israel is asking: Why is he retiring at this time? Poor health is not the answer; at sixty-seven, Ben-Gurion is healthier and more vigorous than many men ten or fifteen years his junior. Is it the desire to concentrate on his writing, on his social and philosophical studies? If so, how can such a personal desire be reconciled with his repeated warn-

mgs that Israel still faces grave dangers, his urgent appeals to overcome the nation's troubles by work and action? Were personal difficulties with his own Mapai party responsible for his decision, an irreconcilable conflict over the policy of his administration?

A lifelong friend of Ben-Gurion, one of the most respected elder statesmen of Israel, said to me: "Ben-Gurion has no trouble with his party—in fact, he *is* the party. But he is in trouble with himself. There comes to every man a moment when he wants to run away from it all in order to gain that ultimate, impersonal clarity of vision that only distance from the world and oneself can command. Few have the courage to act on this impulse. But Ben-Gurion is no ordinary man."

We were in the lobby of the Knesset, Israel's Parliament in Jerusalem, which looked like the waiting room of a Central European immigration office. Two dozen little tables were lined along the walls; a straight row of cheap, uncomfortable chairs was crowded with visitors waiting to speak to their deputies. Most of the people who come here need help or advice. They are recent immigrants who try to make themselves clear in halting Hebrew when talking with officials, but who still speak Yiddish or Hungarian, Polish, Rumanian or Arabic among themselves – a babel of tongues, a kaleidoscope of faces, a bewildering mixture of peoples.

What have all these men in common? Certainly not their features, or the shape of their heads, or even the color of their skin. There were blond Germans, dark-skinned Yemenites, Eastern European intellectuals whose pallor is the mark of years spent in the dedicated life of scholars in the ghettos of Poland. There were peasants, rugged and sturdy, and merchants with the alert, watchful look of hunting dogs. There were rabbis in kaftans and black hats, and young soldiers in shorts who might have just stepped out of the British Army. What gave all these people a single aim?

It was not their language or their religion: there were true believers among them and agnostics, religious mystics and free-thinking socialists. True, as different as their pasts were, suffering and persecution had been their common lot; such shared experience is a very strong bond. But even Dachau and Auschwitz could not explain the strange atmosphere in this room. It was tense; one could sense the spiritual force that united all these men; the air was charged and vibrant with it. Ernest Renan, the great French philosopher, author of the famous *Life of Jesus*, had the right explanation: "What causes free men to form a nation is not merely the recollection of great things they have done together but the will and determination to do new things."

"Israel is not a melting pot; it's a high-pressure cooker," someone has said. The more than 720,000 people brought to this country in the last five years since the proclamation of the state testify to the initial success of this unique experiment. But it has been costly. It has been paid for with hunger and blood.

The first period has now ended. National independence has been won—but the struggle for economic independence poses even greater problems.

"It is easier to overcome Egyptians than economic facts," Ben-Gurion's friend went on. "They do not run away. And the battles against sand and dirt are unfortunately much less dramatic and glamorous. Heroism has become a matter of routine, a part of our daily life. To endure this grind, courage and enthusiasm are not enough. You need faith."

He interrupted himself suddenly and stood up. "Ben-Gurion's resignation at this time places an additional burden on the nation. When we can least afford it, we will have long-drawn-out negotiations for a new coalition. The welfare of the country will suffer. We face the unhappy possibility of being without a firm and settled government at a time when we need it most, domestically and internationally. There is no one with Ben-Gurion's authority; he is irreplaceable. And yet . . ." He left the sentence unfinished. The last words had a bitter sound.

Is Ben-Gurion's friend right in reproaching him for putting his own personal crisis above the crisis of the nation? Is Ben-Gurion really running away from his responsibilities?

There is a streak of the old Jewish prophets in the Prime Minister. Although he is not an orthodox or even a religious Jew, the Bible is a living reality to him, an integral part of his whole make-up. International socialist and Jewish nationalist, visionary and practical realist, Marxist and mystic, a true pioneer who is an expert with the hammer and the plow, and a scholar who at sixty, in the midst of the war, decided to study ancient Greek in order to read Plato in the original, he is a fascinating human specimen, unique in his contradictions.

A few days before he announced his resignation he gave his political credo in a speech to a small gathering of Jewish leaders from America:

"I am a Jew, and Jews have always thought in terms of centuries, millennia and eternity. But, on practical things I, at least, cannot see more than ten years ahead. We cannot live as our forefathers lived in the time of Moses or of King David, or in the time of the Maccabees. We live in the twentieth century. Our lives will be based on the conquest of science, of technology, of modern thought. But no other Jewish community will be more closely linked than the people of Israel with everything which is alive and eternal in the great Jewish past and tradition. Our civilization here will rest on two foundations: on the Bible, and on all that was great in Jewish creation. Only on that foundation can we build the modern achievements of science and their domination over the forces of nature."

And then he listed the accomplishments and the shortcomings and failures of the young nation. "I will

Ben-Gurion's Negev refuge—a modern wilderness,

Young pioneers *of Sdeh Boker eat their noon meal in the outpost's communal dining hall. It is among these few, hardy youths who heeded his call to make the desert bloom anew that Ben-Gurion the statesman will spend his retirement.*

Old recruit *Ben-Gurion, his white mane standing out amid his escort (right, center), comes to inspect his*

tell you," he said, "the things we have not done yet.

"First, we have not yet succeeded in completely integrating our new immigrants, either economically or culturally.

"Second, we have not yet won economic independence, and we have not filled the dangerous gap between our exports and our imports. Only one-sixth of our imports are covered by our exports.

"Third, we have not yet obtained peace and cooperation with our Arab neighbors, and we cannot yet feel that our safety and security are assured.

"Fourth, we have not yet achieved internal political stability in our democratic life. The damage done in twenty-five hundred years of dependence cannot be undone in five years of independence. We have too many split parties in our midst. We have not yet acquired the necessary state-like instincts of an independent people. We are not yet a cohesive, united people with sufficient self-reliance.

"We are a peculiar and unique people. While we have the great quality of being able to adapt ourselves to any environment and to all peoples among whom we are living, we are at the same time quite different from others. We are the most nonconformist people in human history.

"I am not one of those Jews who sees anti-Semitism everywhere. This is not the time and place to expand on the subject of our faults as a race, and I am not going to say anything about fault-finding—I am not going to do it, except with Israel."

He gave no hint of his impending resignation in this speech. And yet, the side remark about the faults he finds with Israel was the key to his action, to his personal crisis.

For Ben-Gurion is worried and bewildered. Also, being first and foremost a fighter, he is angry. Angry with himself and with his people. The spirit of the pioneers, the fanatical, selfless devotion to an ideal is not as strong today as in the past. This is the major fault Ben-Gurion finds with Israel. The reality does not match the vision—the same complaint one hears most often from the old-timers.

The complaint is not entirely justified. To one who travels through the country, seeing the new immigrants at work in city and villages, at the frontiers, cultivating their little pieces of land by day and standing guard by night against the marauding Arabs, it is clear that Israel's people do not lack courage and spiritual strength. But there is an inevitable letdown after victory is won. The fighters and heroes want to go back to life as usual, business as usual, pleasure as usual.

And there are dark and disquieting spots in the general picture. Thousands of new immigrants have left Israel, unable to endure the hardships of living in camps and tents. There is the growing difficulty of persuading people, even the young ones, to exchange the modest but at least fairly normal existence of Tel Aviv or Haifa against life in the desert. There is the bitter fight in the Kibbutzim—the collective settlements—between Mapai and Mapam, the right-wing

or Israel's Promised Land?

new prefabricated home at Sdeh Boker. After the limousines depart, he will be just another colonist.

***Gun-toting shepherd** drives a flock of the settlement's sheep into a corral where they will be safe for the night from Arab marauders. In the rocky pastures of the Negev, sheep have to wander as far as fifty miles to find enough forage.*

Social Democrats and the left-wing, Moscow-oriented Socialists. The fight has split settlements wide open, has pitted brother against brother, child against parent.

These are the things that disturb and anger Ben-Gurion. What did the prophets of old do when they were angry? They went into the wilderness. From Moses to Elijah and Jeremiah, in each of their lives the moment came when they packed up and left the community of the weak and complacent to be alone with themselves and God. Ben-Gurion's resignation is both an escape and a protest. Another, still greater man, Leo Tolstoy, left his home and family and ran from Yasnaya Polyana into the night. Ben-Gurion runs off to the desert of the Negev, to Sdeh Boker.

To Ben-Gurion, the Negev is more than a geographical term. The desert which covers approximately half of southern Israel is of major geopolitical importance, the key to the nation's future. To conquer the desert, to settle the land between Beersheba and Eliat, seems to the Prime Minister a more urgent task than any development in and around the cities to the north. For the conquest of the Negev means not only a decrease in the urban population, which in the last five years has already been reduced from 64 to 44 per cent, nor does it mean only the transformation of barren land into fertile soil. According to Ben-Gurion, the Negev with its natural resources must become the industrial heart of Israel, and at the same time a stepping-stone for the economic expansion of the nation toward India, Japan and eventually China and the underdeveloped countries of Africa.

The discovery of mineral deposits in the Negev—iron ore, copper, manganese, sulphur—and the tapping of the chemical wealth of the Dead Sea may make Ben-Gurion's dream come true. But the people did not respond to this challenge as he had hoped. His cry, "Go south—conquer the desert!" did not arouse the enthusiasm he expected.

A few thousand young boys and girls heeded his appeal. A score or so of them settled in a desolate spot in the middle of the desert, and called that tiny settlement Sdeh Boker, the Field of the Herdsman. This is the place Ben-Gurion has chosen as his future home.

The jumping-off place for Sdeh Boker is Beersheba, on the threshold of the Negev. This former Arab market and trading post is now a typical frontier town. Jewish soldiers mingle with Bedouins, modern trucks are parked beside camels. Some 18,000 people now live in this city, most of them engaged in construction work, road building and other development projects. There is a ceramics factory on the outskirts of the town. Beersheba also has a theatre, cafés and clubs. The main street, a far cry from the ancient picture which the name evokes, looks like a movie set for a Western.

But just outside the city limits, the scene changes abruptly. A huge sign warns the traveler to check his tires, gas and oil. From now on, he is on his own. Here the real desert begins.

At first the road is good, running straight through a

gray wasteland of stone and sand. With the miles, the landscape steadily gets more depressing. There is no golden sand, no undulating dunes, but only jagged rocks and rubble, a desert of naked desolation.

After more than thirty miles, a road branches off to the east. Taking this, the traveler soon feels as if he had landed on the moon. The desert is cleft by canyons, dotted with strange rock formations of a peculiar gray, the color of faded bones. The silence is ghostly. Not a bird is heard, not a blade of grass can be seen.

This is the realm of the Dead Sea. A turn of the road, and its leaden mirror appears. There lies Sodom—today a little settlement that is turning out some 60,000 tons of potash per year. But within five years they hope to produce 300,000 tons annually. The Dead Sea salts are expected to become the basis of a chemical industry that will produce calcinated phosphates, sulphuric acid, phosphoric acid, soda ash, and many other products.

NINETEEN miles down the road, beyond the fork that leads to Sodom, lies Sdeh Boker. There is a crudely lettered sign beside the road. Beyond it, to the right, the roofs of military barracks emerge from the sand, punctuated by a water tower and a pole with the Israeli flag. Twenty-five people live here, all of them young men except for one married couple and their child. Half a dozen prefabricated houses surround a little, unpaved square. In the background stands the barracks. Next to the water tower is a new four-room house, just being finished. It is as primitive as the others but has a name plate on the door. This is the house Ben-Gurion has built for himself, in which he intends to live from now on.

There are many beautiful and secluded spots in Israel where one can find rest and peace and a congenial atmosphere for study and meditation. Ben-Gurion has a pleasant apartment in Tel Aviv and, when in Jerusalem, lived in a villa that was set aside for the Prime Minister. If he wanted to get away from life in the city, he had his choice of any number of estates, villas and hotels. Instead, he chose this.

The settlers of Sdeh Boker came here two years ago. They selected this site because it is near a well. There is no other water for forty miles and rainfall is very scarce. The soil is not bad—it can be made fertile—and meanwhile it provides good pasture land for sheep.

And raising sheep is what the little community wants to do. Already the settlers have 500 sheep which they tend, nomad fashion, letting them graze in a circle of fifty miles to the west and north. It is a hard and risky life, for every week Arabs sneak across the nearby border of Jordan and steal or kill the sheep. The settlers are also on the alert for opium and hashish smugglers. They carry revolvers or rifles with them all the time.

The people of Sdeh Boker do not seem much impressed by the impending arrival of the Prime Minister. "He cannot do hard work any more," a boy said, "but he told us he would help in the kitchen."

***Dead landscape** of the eastern Negev is unfriendly enough to man, even without Arab raids across the border. In its arid ravines Israelis hope to find mineral treasure.*

***New arteries** to bring the Negev to life are the water mains which Israeli colonists are laying along the roads south from Beersheba, and out from occasional desert wells.*

Man's New Tools for Happiness

When peace and justice have come to the world—as some day they will—what sort of life do I wish for human beings? What are the basic principles on which our civilization could rebuild—not a Utopia, but a society in which our sons and daughters can find happiness?

First, I wish for—and can even foresee—a society in which there is no longer a barrier between the practical and the pleasurable, no line between the necessary and the beautiful; a world in which reason and emotion find their equal due.

In the ruthless development of an industrial order, places of work and the houses in which most people lived were grossly utilitarian and ugly. As the arts became luxuries to flee to, forms of escape, the art of architecture became the anachronistic and irrelevant indulgence of the wealthy few. New industrial designing of both luxuries and necessities shows what can be done in enabling us to live in an environment where beauty and use are one. New housing, as in the Scandinavian countries, proves what can be done to enable human beings, even those crowded into cities, to live in space and sun and light; new designs in furniture and appliances make clear what can be done in the way of letting us live and have our being in interiors that are delightful, using tools that are a joy in themselves, having perspectives and vistas on which the eye delightedly rests.

Similarly, I should like to live in a world in which the line between mind and action was less marked than it is now, as little marked as would be the line between beauty and use.

At present the intellectual life and the intellectual class are esoteric in our society, and ideas and action are divided. It is surprising when a politician writes a book or reads one, or when a scholar enters politics. It is not often that business men are interested in general ideas or philosophers interested in the economic and political issue of our time. I foresee the day when ideas will permeate our society more generally and men of ideas will be more generally involved in political and economic affairs.

This will make intellectual life less private and artificial and the intellectual class will stop talking to itself. Nor will intellectual life remain as verbal, fantastic and irresponsible as it so frequently now is. On the other hand, men of affairs and political interests, as well as ordinary human beings, will be stimulated by ideas and even come to enjoy the play of mind.

There is another duality I should like to see erased—the division between work and leisure. There is no question that a certain amount of the work of the world will continue to be as dull as it is essential. Nor can we expect that mechanisms will altogether reduce it. But we may certainly expect to see a society in which the less grateful tasks will be done on a schedule not too taxing. Undoubtedly, leisure will remain an *essential* portion of life for those whose daily work cannot possibly be made other than dull, though there is hope that the more obnoxious tasks will increasingly be done by machinery.

There are many kinds of activity, however, in which the pressures and values of leisure will be fused and merged with those of labor, where what has to be done can be done imaginatively, and what it is necessary to do can be done with pleasure. The happiness that comes with work that is itself an art, and from doing a job that has meaning, will be available to millions who now regard leisure as a chance to escape into triviality from the boredom of labor that is meaningless or oppressive.

I wish, in short, for a world in which work will be interesting and in which individuals will have sensibilities sufficiently educated to make something meaningful of their leisure. One's own tastes and preferences naturally determine what one should like to see most dominant in the society of the future. But my own tastes and preferences are those of a teacher, a philosopher, and a writer. I do not for a moment foresee a civilization in which everyone will be a writer, a teacher, or a philosopher, nor am I altogether certain I should like to live among professional colleagues all the time. But I think the values of a humane life could be made far more pervasive than they are now.

There is nothing esoteric about music, nor, in essence, is there anything private and privileged about literature, or arcane and reserved about the arts. I can foresee a society where good plays would be as popular as good plays were in ancient Greece, and where, as even present-day radio has proved, the experience of serious music can be a popular pleasure. Nor, with insecurity and fear removed, is it impossible that there should be a revival of all manner of artistic creation, major and minor, even among those who are not intellectuals. The true amateur is one of the true signs of civilization.

As I look about our present troubled world, I see that these dreams have their foundation in already present fact. In the Scandinavian countries there is widespread attention to the arts; in America there is a comparable interest in music. The enormous sales, in England and America, of first-rate literature in inexpensive editions show that popular taste is not necessarily poor taste.

And, finally, let me say this: cynics doubt that a society of tolerance, of courtesy and of friendliness can ever exist, or a civilization with a capacity for joy. But as anyone knows who has ever lived in England, a humorous good will, a tolerant sense of proportion are almost universal in that amiable country. Those who have sojourned in Italy know how, even under the most cruel poverty, men and women can retain the capacity for simple joy. We have accustomed ourselves to believe that tension is normal in life because we have lived under external tensions so long; that hate is standard because we have not experienced the conditions of courtesy, friendliness and love; that life must be routine and regimented, lethargic or violent, because we have lost faith in the possibility of establishing the patterns and bases of vitality, freedom and peace.

—Irwin Edman

LUCANIA

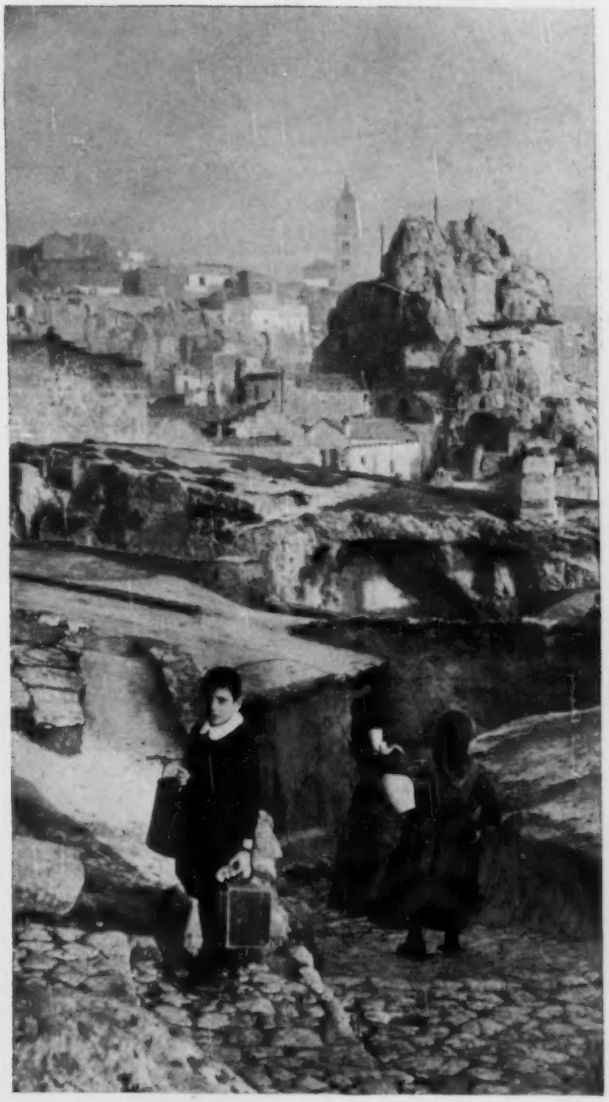
THE LAND WHERE CHRIST STOPPED SHORT

The peasants who cling to this rocky instep of the Italian boot describe themselves and their ancient province bitterly. "Christ stopped at Eboli," they say, meaning civilization and regard for humanity only came as far south as the town where the coastal road turns off into the wild Lucanian mountains. Here is the timeless, primitive root of Italy, always at losing war with nature in this parched, malaria-wracked country, and with whoever happens to rule in Rome: a stronghold of neglect which baffles even those who would help it.

PHOTOGRAPHS BY HENRI CARTIER-BRESSON

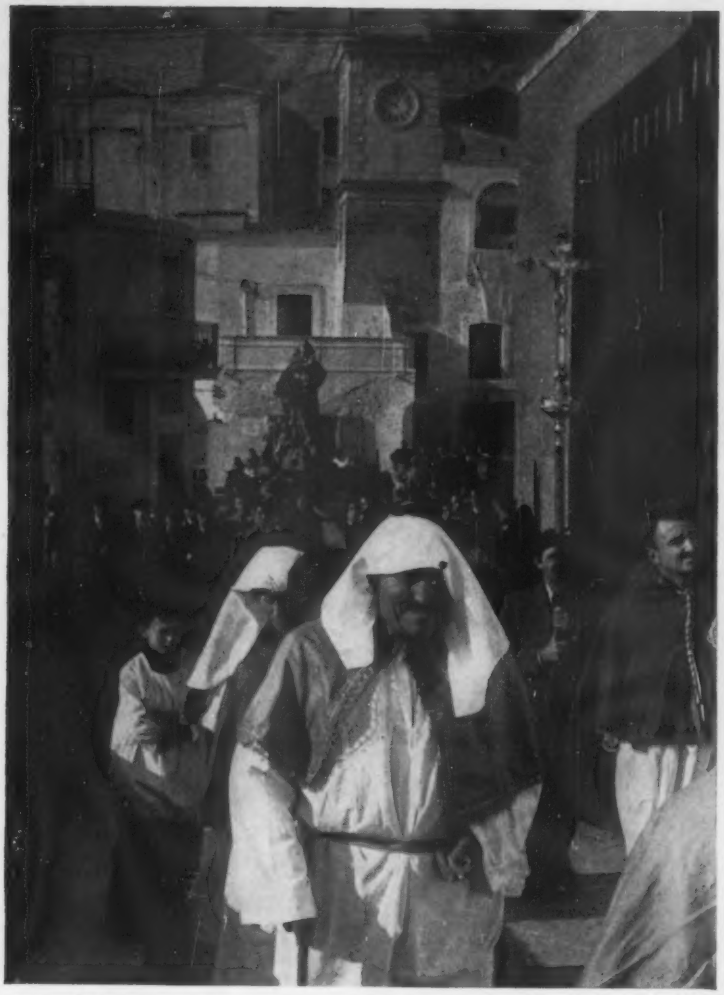
Cave City of Matera is Lucania's capital. Dug into the side of a canyon, the caves have been inhabited since early Christian times.

The Bones of Lucania have been laid bare by centuries of erosion. Here, three peasants on mules pick their way to market in Matera.



***Dawn in Matera** starts a boy to school, his mother to the well, along streets which are the cobbled roofs of the tier of caves below. Peasants have already left for their distant fields.*

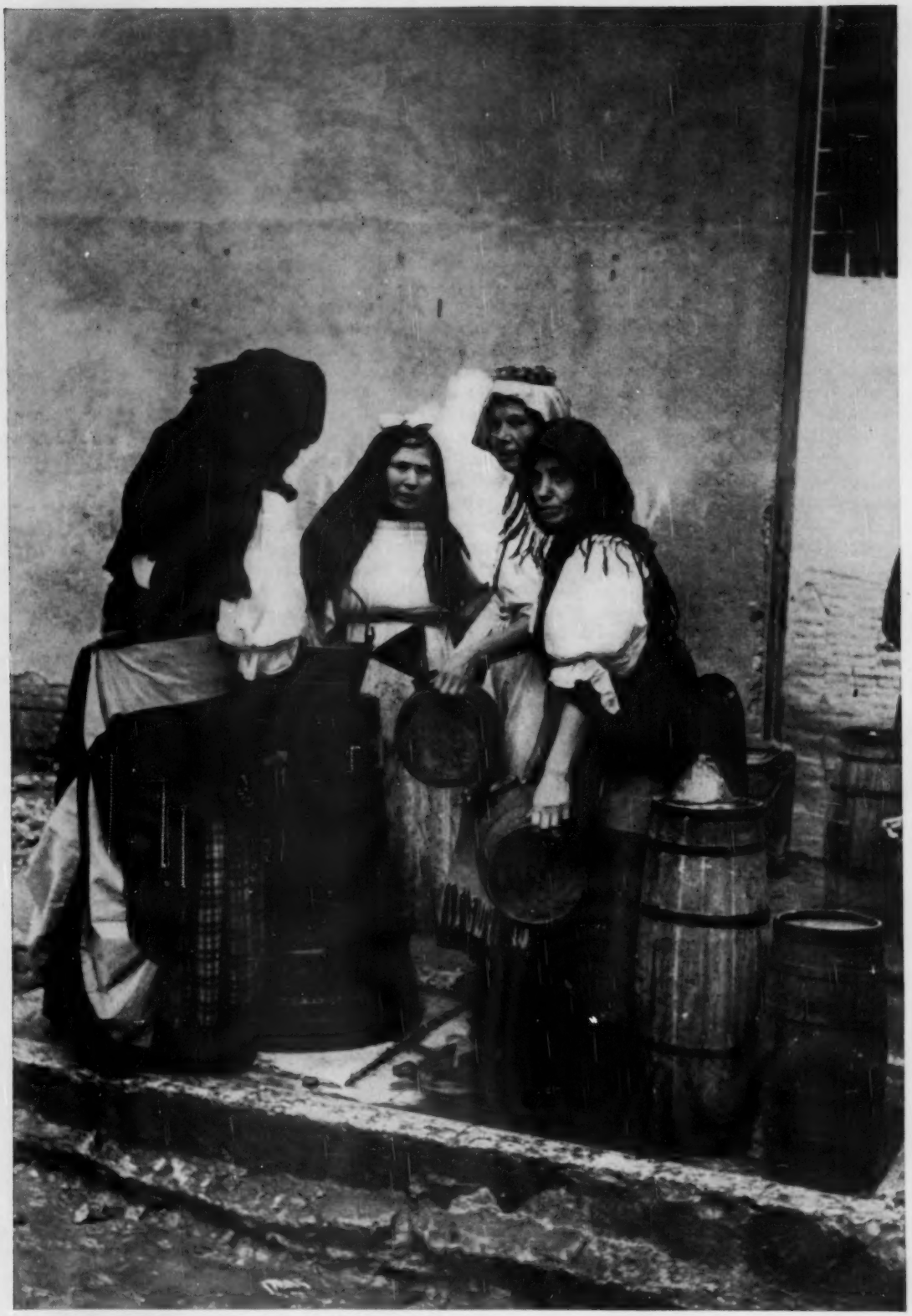
LUCANIA HOLDS ITS PEOPLE IN ANCIENT POSES



***A Pilgrimage** touches the villagers' lives with both grace and pomp as they bear their Madonna from shrine to shrine.*

***The Old Witch** of Matera and her weird sisters throughout Lucania do a thriving business in philters for lovers, curses for enemies, and amulets for the fearful.*

***The Peddler** is also a strolling player: here he imitates a storm to demonstrate the indestructibility of his umbrellas.*



***The Fountain** is still the pivot of life in Matera. Wearing the antique dress of the Mediterranean, women cluster at the infrequent wells to fill their barrels with a day's supply. Then they trudge the steep way home.*

Gen. Atom: Supreme Commander

THE White House circle, the psychological warriors, and the bigger guns of the Atomic Energy Commission are still enthusiastic about President Eisenhower's plan for an international bank of atomic materials to back research in peaceful uses of nuclear energy. But officials practiced in international affairs, who support the positive aspects of the President's proposal, confess to some embarrassment in talking about it with the Russians.

The hitch is that the discussions come at a time when we are admittedly shifting our military emphasis from conventional to nuclear weapons. When they agreed to talk about an international atomic pool, the Russians deftly inserted the question of a ban on the use of atomic arms. This put us on a worldwide propaganda hook.

We are not so embarrassed that we don't know what to do: we are going to talk and we are going to let the Soviet spokesmen bring up the subject of a ban on atomic weapons. But we have no intention of agreeing to such an atomic prohibition. Washington does not believe that the Kremlin will put forth any proposal that would be hard for us to refuse. But if we have to, we will accept a possible setback in world esteem rather than an unquestionable setback in our power relationship with the Soviet Union.

Here are the main reasons:

Atomic strength gives us our present margin over the USSR, and, sad as it may seem, is the only foreseeable way to maintain it. To eliminate the atomic factor would be to revert to the conventional measures of strength, such as manpower and gunpower, in which the Soviets can always expect to have an edge.

Moreover, the Soviet interpretation lumps all nuclear arms under the heading of weapons of mass destruction. We, however, have developed tactical types, such as atomic artillery, which are not morally different in their operation from conventional weapons. We will not liquidate this effective, economical section of our arsenal just because it's "atomic."

That any diplomatic embarrassment at all should follow such an important Presidential proposal is in itself disturbing. It has now been pretty well established that while the members of the National Security Council approved the Eisenhower plan, it was not analyzed and processed by the staff of the NSC. Careful scrutiny need not have changed a word of the plan, but would have left the government better prepared to deal with the Soviet gambit of a general ban on atomic arms. Instead, the staff work was done by the Atomic Energy Commission, whose strong point is not experience in international politics.

No New Isolationism

The prospective withdrawal, in part, of US physical strength from advanced lines around the world has given fresh currency to a damaging phrase: "the new isolationism." President Eisenhower, who hinted in his United Nations speech that atomic scientists have found ways to rid fissionable material of its explosive properties, might put his political scientists to work denaturing the word "isolationism."

His evolving foreign policy, however, does not deserve the old, opprobrious connotations of that term. It is, rather, his own long-held strategic concept of a central mobile reserve. This concept has now been made possible by advances in nuclear technology and air power, and by the success of the Truman-Acheson program in building situations of strength. An additional impetus is the President's concern for the health of the defense-burdened national economy.

This "new" policy should surprise no one who has paid attention to the publicly expressed thinking of the President in the past. But, whatever its merits, Eisenhower's plan is vulnerable to political attack. It bears superficial resemblances to Herbert Hoover's "Fortress America" doctrine, and to the reliance on sea and air power advocated by the late Senator Taft.

In some respects it is a departure from the policies of the Truman administration—although it depends on the achievements of those policies—and therefore relieves Democrats of the political necessity of supporting it in order to be consistent with their own past. Political sniping has already begun, and if battle is really joined, "the new isolationism" may be the least deadly epithet hurled against the Administration's position on foreign policy.

The measures which have attracted the attention of the world and awakened the apprehensions of our friends are: the reduction of Army ground strength and increased emphasis on sea and air power; the announced withdrawal of two divisions from Korea; Dulles' threat to abandon our "forward strategy" in Europe if France and Germany do not join hands in a European Defense Community; and our intention to quit Trieste.

SUCH moves, however, are only details in formulating and executing a policy in which withdrawal from geographic space is more than balanced by a bolder acknowledgment of our military responsibilities along the established frontiers of the free world.

This was made explicit by both the President and Secretary Dulles in their comments on the withdrawal of troops from Korea. Dulles said the shift would "give greater mobility and greater choice to United States military strength in the Asian theater." The Soviet Union and Communist China have been clearly warned that renewed aggression in Korea or intervention in Indo-China will be opposed by more mobile and powerful US forces than before.

As for alliances, the new policy means less US physical involvement abroad and greater reliance on our

leadership and long-range power to protect our allies.

We are concentrating on plugging the remaining holes in the dike and making the local forces manning them more self-sustaining. Weakness in the Middle East is to be partly counteracted by stiffening Pakistan. Japan is to be rearmed. The breach at the head of the Adriatic supposedly can be closed by a military link-up between Yugoslavia and Italy—following a settlement on Trieste.

Meanwhile, plans go forward to share atomic strength with those on our side; atomic cannon are spotted in Europe, and reports that others are ready in the Japan-Korea area go undenied. Finally, a considerable number of US ground troops remain in forward positions. It is a *reduction* that is being carried out, not a complete withdrawal. Reliance on air strength itself demands accompanying ground strength — and particularly in Europe. Whatever our European allies might think about a total walkout by our ground forces, our Air Force would never stand for it. And, as infantrymen concede, "They're our allies, too."

The Eisenhower policy definitely includes direct protection of our vital sources of supply, as well as the communication lines to them. This is where it differs fundamentally from Mr. Hoover's "Fortress America." He proposed that we set our defense frontiers at the British Isles and the Japan-Formosa-Philippine island system, and even let Europe go if it would not defend itself according to his strict criteria.

Our new plan is also based on instant, automatic reaction against aggression, a major difference from Senator Taft's ideas. Taft disliked alliances, and preferred above all what he called "a free hand" to pick and choose the time and place for American military action, unencumbered by advance commitments.

The climate in which the new policy is unfolding is one of US expectation that world tension will relax. Secretary Dulles has made it official that Soviet aggression in Western Europe seems less likely now than it has for several years. The conviction exists here that there is little prospect of new aggression in Korea, and that Chinese intervention in Indo-China would be a direct violation of Soviet wishes as well as ours. Our diplomacy is counting upon satellite unrest to deter Soviet adventures in Europe, and is seeking a way to separate Communist China from Russia without war. Careful observers believe that all over the world the adversaries are settling down on their present lines for a cooling-off period which, if it produces no great solutions, may on the other hand produce no great new crises.

CRITICS will undoubtedly attribute Washington's new foreign look to expediency, appeasement, and false economy. In response, the President can quote his own words. As long ago as June 3, 1952, the day he took off his uniform to seek the Presidency, he said: "In other words, I believe we should be here highly alert and highly mobile and that gradually our whole program should be toward making the other areas around this great periphery somewhat capable of taking care of themselves."

And in a speech in the Bronx on October 29, he said: "We must prepare the Koreans to defend their own lines, as we have done elsewhere, so that America's forces can serve their true purpose. That is to be the great mobile reserve of the free world and to provide air and sea support wherever needed."

Actually, the President's policy sticks pretty close to our modern "tradition" of containment. It seeks a disengagement, particularly from the Asiatic continent, which from the beginning has been an aim of Eisenhower-Dulles foreign policy. It contains no apparent prospectus for "liberation," which, in the absence of any new ideas as to how to go about it, must now be filed under the heading of campaign catchwords.

In the West it relies on alliance with England and France, which Acheson would approve, but it also offers alliance with Spain, Germany and Japan,

Marcus in *The New York Times*

Express—no flag stops!

which ought to appeal to Senator McCarthy and his fellow Anglophobes and Francophobes.

It does not conspicuously provide for using Chiang Kai-shek, nor does it show conspicuous hostility to Mao Tse-tung, and therein lies the possibility of trouble with the Nationalist bloc in the Republican party. But the group which favors a discreet courtship of Mao to split Peking and Moscow has been markedly strengthened by the adherence of Vice President Nixon and Special Ambassador Arthur H. Dean, making it a better match for the forces under Senator Knowland.

In a showdown, critics must find themselves arguing over a matter in which strategic concepts are central with an administration in which military thinking is central, even if the President does not wear a uniform to work. That could make it hard going for the opposition.

Will the Carrot Pay Off?

Policy-makers here have derived a certain amount of reassurance from the evidence that the Soviet Union is devoting more of its energies to raising the standard of living of the Russian people.

Now, some of Washington's professional thinkers have come up with a warning based on exactly the same shift in Soviet policy. It could mean, they agree, that the USSR will not embark on foreign adventures while preoccupied with a restive home front. It could mean, they also concede, that emphasis on consumer goods will cause a corresponding de-emphasis on armaments. But—and here the warning comes—it could equally well mean an increase in arms production.

Their reasoning goes like this: take, for example, a Russian worker today who has no shoes and gets a daily ration of one loaf of bread; this man, who hates his job, can turn out 200 industrial units per week. If he can be given a new pair of shoes and two loaves of bread a day, and made to like his job, the same worker might then turn out 250 units per week. In short, by making life more rewarding to Ivan, the Kremlin may make Ivan more rewarding to the Soviet military.

New Team for Dulles

The expected departure of Under Secretaries Walter Bedell Smith and Donold Lourie from the State Department raises the question whether Secretary Dulles will now move to enlist a team of subordinates who are really "his men." There is just one man in State's top echelon who had enjoyed a relation of intimacy and trust with the Secretary before he joined the department. He is Carl W. McCardle, Assistant Secretary for Public Affairs. McCardle has been of invaluable assistance in many non-publicized ways, chiefly because he and Dulles understand each other.

When the top foreign policy team was assembled, Dulles availed himself little of the opportunity to have around him men who would not have to learn how to work with him but would perform reflexively. It is possible to run through the roster and tick off the State officials who for all practical purposes were picked by someone other than Dulles. This does not mean that they are not loyal to Dulles. It does mean, however, that some of them have personal views opposed to the Boss's—and on rather important matters of policy.

If Dulles thought this was a problem he could get to later, he will now find that his freedom of choice is increasingly circumscribed by politics. A good many Republicans are downright mad at their failure to install carloads of the party faithful in upper-level jobs in the State Department. Although there is nothing more subtle than patronage-hunger behind this, it translates itself, in the public eye, into charges that the "Truman-Acheson gang" is still running the department and that good, healthy Republican policy-making is thereby frustrated. This looks like a fight that Dulles has got to have out—and it could be hot.

America's Upstairs Frontier

When J. Edgar Hoover testified before the Jenner subcommittee in the Harry Dexter White case, he sounded miffed because, as he said, the premises of the International Monetary Fund are "extra-territorial" and the FBI therefore cannot keep them under surveillance.

Actually, the Monetary Fund and the World Bank are mixed up on different floors in the same building at 1818 "H" Street. The question of extra-territoriality has never come to a formal diplomatic showdown, but has been dealt with hypothetically. According to report, the Monetary Fund considers its offices to be extra-territorial; the World Bank does not. Therefore, the international status of anyone going up or down in an elevator flickers on and off. (Between floors, the passenger is presumably in a pre-social-contract state of nature.)

This unique experience was shared by one of Mr. Hoover's own operatives who was given an office on a World Bank floor while he was screening its employees. Whether he peeked up or down into the Monetary Fund is not known.

Incidentally, security clearance for American employees of the World Bank is so complex and time-consuming a process that the Bank is actually being forced to hire more foreigners than it intended to in order to get the work done in Washington.

Beside the Still Waters

World Bank headquarters is also the scene of perhaps the longest and most peaceful discussion on record between representatives of India and Pakistan. They are engineers, trying to work out an arrangement for the joint use and development of the vital water resources of the Indus River basin. Except for a short recess, they have been meeting every day since September in a friendly atmosphere generally supporting the judgment of World Bank President Eugene R. Black that engineers come as close to being apolitical as human beings can. He tries not to let anyone but engineers into the discussions.

How much water each country gets is the nub of the problem. The solution may not be one unified plan, but two complementary schemes, one on each side of the border. Whatever their results, the discussions will stand as one of the most successful attempts at Indian-Pakistani conciliation.

World Survey:

How are we doing abroad ?

During the past weeks one major event has raised US prestige throughout the world, while two other Washington policy developments have evoked bitter criticism in parts of Asia.

The event was President Eisenhower's bold proposal for international cooperation in the peaceful use of atomic energy. This elevated American popularity abroad to the highest level in many months.

The policy developments were the proposed military aid to Pakistan and Japanese rearmament. Each of these, WORLD correspondents cable, occasioned vociferous denunciation in parts of the areas involved.

TOKYO

Sydell Magelaner reports:

The Japanese people, after the initial outcry when rearmament was first proposed, have now in general accepted the necessity of rearmament, although noisy, Communist-inspired opposition continues.

Credit for this must be given to skillful public relations campaigns on the part of both the Yoshida government and US officials.

The Japanese, who are the only people actually to have experienced the horrors of atomic war, welcomed Eisenhower's proposal for international atomic development.

A high Foreign Ministry official called the President's plan and the subsequent qualified Soviet acceptance a "hopeful sign of the easing of world tensions."

The consensus, however, was that the proposal, taken alone, was too general. Tokyo's largest daily, *Yomiuri*, asked: "Can such a vague proposal alone remedy the situation?"

Nippon Keizai, a leading economic newspaper, said that it would be "premature to jump at the hasty conclusion that the [US-USSR] talks can bring about a prompt settlement of the vital atomic control issue since there is a wide gap between American and Russian thinking on the problem."

HONG KONG

Ron G. Whitehead reports:

The US plan for military assistance to Pakistan has given the Chinese Communist press and radio an unrivaled — if entirely hypocritical — opportunity to castigate American "imperialism" and attempt to widen the gulf between New Delhi and Washington.

Mao Tse-tung's official mouthpiece, the *Peking People's Daily*, denounced the proposed pact as "part and parcel of the sinister plans to intensify aggression in Asia . . . and make Asians fight Asians."

The newspaper added that, since almost all India lies between Pakistan's two parts, the subcontinent thus was "confronted with political and military encirclement."

Hong Kong's free Chinese press, however, took an entirely different view. The influential *Kung Shang Jih Pao* wrote recently:

"Such action on the part of the US will contribute greatly to the consolidation of an area very im-

Die Zeit, Hamburg

Little Europe: "Santa's giving all the soldiers to Old Man Adenauer!"

portant to world peace. Only the enemy of world peace will oppose it, and should we fear the enemy of peace?"

The *Hong Kong Times*, another paper that is Chinese controlled, severely rebuked Indian Prime Minister Nehru for his opposition to the pact and his general "neutralism." It wrote:

"His ambition is greater than his wisdom and he vainly seeks to employ the bait of neutrality in the hope that both opposing camps will strive to win him. But, should actual war break out, then there will be no time for him even to worry. Such is the tragedy of a neutral."

Chinese opinion of all schools, however, is united in opposing Japanese rearmament as "very erroneous." The conservative Hong Kong daily *Hua Chiao Jih Pao* declared:

"The majority of Asia nations oppose the re-emergence of Japan as a military power.

"The US effort to help Japan rearm is beginning to revive militarism in Japan and has given the Japanese Communists an excuse to attack both the United States and the Japanese government.

"In addition, the US-sponsored Japanese peace treaty has intensified the hatred of Japan felt by the Asiatic countries victimized by Japanese aggression."

BELGRADE

Eric Bourne reports:

The proposed US-Pakistan military aid pact is criticized in Yugoslavia, not so much because it is wrong in itself, but because the Yugoslavs believe it symptomatic of what they consider Washington's "outmoded" appraisal of the international situation.

Josef Smole, the nation's leading commentator on foreign affairs, writes in *Borba*, mouthpiece of the Tito government:

"The Americans are acting as though nothing had changed, as though the situation today was more or less identical with the situation in 1952, 1951 or even 1950. . . .

"America is trying to justify all its moves by an assertion that the danger of Russian aggression is the same as before, and that everything should be viewed from that angle and everything subordinated to the task implicit in such an estimate."

Dublin Opinion, Dublin

"Button your lip. This is McCarthy territory."

LONDON

Cecil F. Melville reports:

The Eisenhower proposal for international atomic development—hailed with virtually universal enthusiasm by the British press—has gone far to eliminate anti-American feeling in the masses of the British people.

Nevertheless a hard core of resentment that Washington, not London, is now the free world's power center still exists in both the Conservative and Labor parties, especially among members of Parliament and policy-making permanent officials. A high Whitehall personage stated recently:

"It would be a grave mistake for the US government not to take this feeling into account.

"Everyone knows about it—and consequently discounts it where the Bevanites and other Leftist Laborites are concerned.

"But there are a surprisingly large number of Tories who traditionally consider Great Britain the world's major power, and for that reason alone tend to oppose the United States.

"They are of no particular importance now, but, when sooner or later Churchill retires, they may have a strong voice in determining Britain's international attitude."

BONN

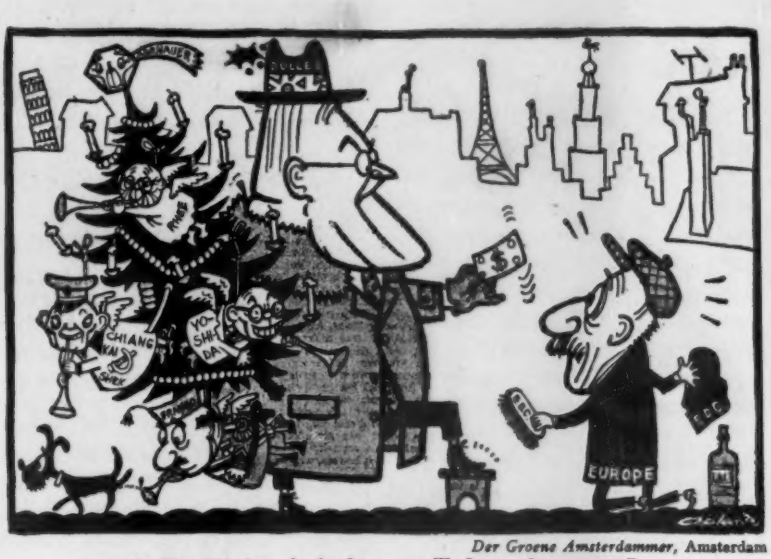
Emlyn Williams reports:

President Eisenhower's plan for the peaceful international development of atomic power was greeted with unanimous enthusiasm in West Germany. The Cologne *Neue Presse* stated, typically, that "it awakens new hope in the hearts of all men who give more than lip service to peace."

The *Süddeutsche Zeitung*, of Munich, commented:

"Even if President Eisenhower's plan should not be accepted by the Soviet Union, it is important.

"American policy will try, during the next few months, to discover if tension between the East and the West can be reduced.



Der Groene Amsterdammer, Amsterdam

Dulles: "If they don't shine, you'll shiver this winter."

"If there is no response, then it is likely that the US will concentrate upon all kinds of atomic weapons. This must reduce expenditure in other military items, which would mean a new military isolation.

"This would give the allies and friends of the United States plenty to think about."

PARIS

George W. Herald reports:

President Eisenhower's plan for the international development of atomic energy—plus the Kremlin's statement it was willing at least to discuss the proposal—is regarded in France as probably the most important happening of the past year. Former Premier Paul Reynaud commented:

"We have come a long way since Stalin denounced the Marshall Plan.

"For the first time in history, the Soviet Union appears ready to cooperate with America in a large-scale effort to help the underprivileged people of the earth."

The influential Paris newspaper *Le Monde* wrote:

"By promptly seizing the opportunity offered by Moscow's reply, President Eisenhower may be able to produce a historic change that would dwarf the problems of the European Defense Community, Germany and Indo-China and greatly facilitate their solution."

The newspaper *Figaro* said that the Eisenhower proposal opened "entirely new perspectives."

The French, however, still resent Secretary Dulles' ultimatum that the National Assembly must ratify EDC or risk losing US aid.

BOMBAY

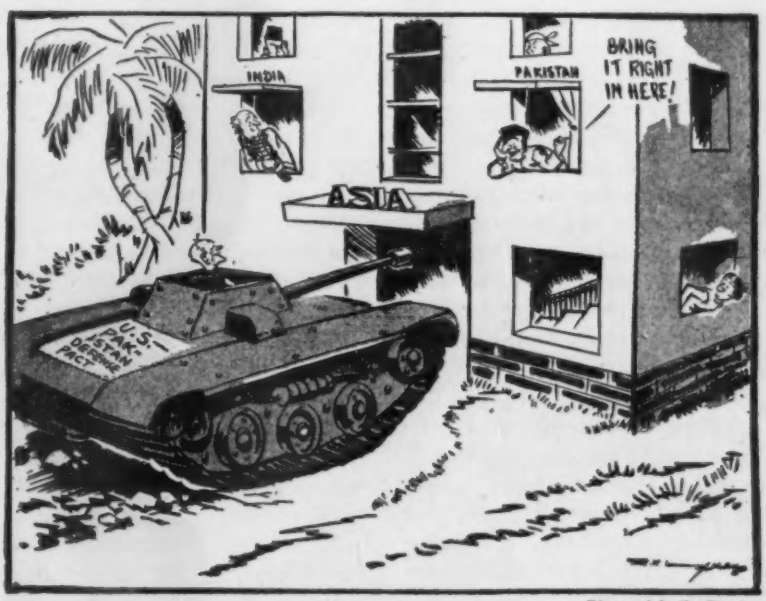
Frank Moraes reports:

President Eisenhower's atomic energy proposal was universally welcomed in India, going far to counter the mistrust of the US engendered by the projected military aid pact with Pakistan.

The chief English language daily, the Bombay *Times of India*, called Eisenhower's address to the UN "one of the most memorable pronouncements of his Presidential career." It added: "He combined high statesmanship with a courageous and realistic assessment of the hard facts of atomic power."

A high official stated that the most important step forward made by the proposal was the "fearless recognition of the fact that common effort rather than mutual threats provides the only sure foundation for international atom- to produce a historic change that ic control, which is essential to the survival of civilization."

Indian opinion, however, despite US assurances, is still worried over the situation in Pakistan. Both the rightist opposition and the Communists continue to make anti-US capital out of the arms offer.



Times of India, Bombay

It might bring down the house.

The Kremlin Courts A Reluctant Mao Tse-tung

INCREASINGLY aware of his position as undisputed ruler of a nation of almost 500 million population, Chinese Communist dictator Mao Tse-tung is asserting his independence of Kremlin domination.

Moscow, in its latest effort to keep Mao in line, has sent China two of its highest ranking trouble-shooters. They are the new ambassador, Dr. Pavel Yudin, who ruthlessly suppressed the East German workers in last June's uprising, and production wizard Ivan F. Tevosvan. The latter was chiefly responsible for the Soviet Union's rapid prewar industrialization that helped repel Hitler.

Yudin is a member of the Presidium of the USSR's Communist party and Tevosvan is a Vice Premier and Minister of Metallurgical Industry.

The two were dispatched to Peking posthaste, WORLD's correspondents in the Far East have learned, when Mao first demoted and then dismissed the No. 1 "pro-Russian" in the Chinese Communist hierarchy, Moscow-trained Li Li-san. At the same time the former ambassador, Deputy Foreign Minister V. V. Kuznetsev, whose chief Chinese lieutenant Li had been, was recalled in disgrace.

Li's career had been furthered by both Stalin and Malenkov until he had become the real head of the National Labor Organization—Peking's most useful instrument in controlling China's growing industrial masses.

Promotion of the pro-Kremlin Li had been part of Moscow's price for continued material and technical aid to Mao. This fitted in with the Soviet policy of maintaining control of the satellite nations by playing off its own native agents against more nationalistic local Communist leaders.

By dismissing Li, Mao plainly indicated that he regarded himself not as the pupil and puppet, but as at least the equal of the present rulers of the Soviet Union. Reports from inside China state that, ever since the former labor boss was ousted, Mao and his associates have displayed toward Malenkov and Company an independent and sometimes even arrogant attitude.

While the veteran Stalin was alive, the Chinese chieftain was content to regard him as master and himself as disciple. But with Stalin dead, Mao is convinced that he himself—and certainly not the chubby Malenkov—is the world's major Communist leader.

JUST what Mao plans when his industrialization program is complete—already he has transformed China into one of the world's strongest military powers, and industrialization would make him absolutely independent of the USSR—is another headache for the Kremlin's rulers, as Russians rather than Reds.

They cannot help remembering that, while Russia has repulsed all attempts at conquest from the West—those of the Poles, Napoleon and then Hitler—the first Russian state was utterly destroyed by the Mongols. Russia was under the yoke of the East for long centuries. Then, too, the Chinese people themselves are becoming more and more restive at the thongs that bind them to Moscow.

To the peasants and workers, who are not the impassive, endlessly patient and uncomplaining masses of Western belief, but are highly emotional and given to sudden violence, industrialization means watching the never-ending trains of food and produce pour westward toward Russia, while they grow hungrier and hungrier.

Mao, according to WORLD's sources, has so far managed to channel this resentment to Moscow. Cunningly he has pointed up the Kremlin's responsibility through the innumerable mass meetings which chant slogans of undying gratitude for Soviet help in the industrialization program.

THUS Dr. Yudin and expert Tevosvan are confronted with a series of delicate tasks, and failure in one probably would mean failure in all.

1. They must push the industrialization program, whatever the long-range risk, because Soviet assistance in the field lies at the very basis of Moscow's promises to Mao.

Also, unless Chinese production is vastly increased, China will lose much of its value to the Soviet program for world domination.

2. Above all, they must bring Mao and his advisers back into line, and keep them amenable to Moscow's "suggestions." Failure here would be disastrous, for it might be the start of Chinese "Titoism."

3. They must, somehow, make the industrialization program more popular with the masses, especially with the factory workers, whose sullen sabotage already is endangering the timetable.

Here, at least, they can expect the full cooperation of Mao and Co.

It is probable that they will attempt to carry out their mission by a sort of division of labor. The first task, industrialization, would be tackled by Tevosvan while the Ambassador himself took over the second, retention of Mao's loyalty.

The third task, the overcoming of popular opposition, would be a joint enterprise. From the Communist standpoint, the two are ideally fitted for such a collaboration.

A major indication of their success would be the return of Li Li-san from the outer darkness of Mao Tse-tung's disfavor.

United Front: Perón's Dream Comes Closer

PERONISMO is on the march in Latin America.

Argentine President Juan Domingo Perón, despite his friendly gestures toward the United States after last summer's visit to Buenos Aires by Dr. Milton Eisenhower, is redoubling his efforts to unite the southern part of the Hemisphere under his own political and economic leadership. The major purpose of the new Argentine-dominated bloc is to present a united front to Washington in economic negotiations, coupled with the threat that Latin America can and will expand trade with the Soviet Union and other Iron Curtain nations if satisfactory agreements are not reached with the United States.

The foundation for the bloc was laid last February, when Chile and Argentina negotiated the "Pact of Santiago." Paraguay and Ecuador adhered in November, and Nicaragua, the largest nation in Central America, is expected to sign up shortly.

Next target on the Argentine list is Colombia, and the government in Bogotá is giving the proposal that it accede to the pact the most serious and favorable consideration. Adherence of Colombia, in addition to Nicaragua, would place bloc members on both sides of the Panama Canal.

Among all the countries of Latin America only two, Brazil and Peru, have openly opposed Perón's plans. Brazilian President Getulio Vargas and Peruvian President Manuel A. Odría last summer issued a joint statement condemning "sub-regional groups of nations."

But both countries, because of their geographical position and their vulnerable economies, are subject to external pressure from the nations already belonging to the Argentine bloc and, in addition, both presidents are under strong pro-Perón influences within their own governments.

How strong Perón's influence is on the regimes of his ostensibly independent neighbors was illustrated recently in Chile, where President Carlos Ibáñez summarily fired Foreign Minister Oscar Fenner when the latter, in obvious opposition to Argentine plans, sought to strengthen relations between Chile and Brazil and Peru. Moreover, Fenner refused to approve a proposed sale of steel to Argentina, and prevented a Chilean labor delegation from attending a pro-Perón labor conference in Buenos Aires.

Argentina's Ambassador to Chile, Juan de la Cruz Guerrero, called these actions of Fenner to the attention of Ibáñez, and the latter—although the Foreign Minister was one of his closest friends—dismissed Fenner from his post. All that Fenner could say was that the Argentine attitude was "causing grave damage" to Chilean-Argentine relations.

The reason for the undeniable success of Perón's drive toward continental leadership is the almost universal feeling that Washington has callously neglected Latin America.

Leaders throughout the area claim that during World War II the United States encouraged Latin Americans to create industries necessary to the Allied war effort. When hostilities ended, however, the US withdrew support from these enterprises, leaving them to stand or fall unaided—and then hampered them further by tariff discrimination. Rightly or wrongly, Washington policy under Democrats and Republicans alike is blamed for Latin America's present economic crisis.

The visit of President Eisenhower's brother, despite the enthusiastic statements of government officials and other prominent spokesmen, did not arouse much interest in the average Latin American. The general reaction was summed up by the English-language — and thus far independent — *Buenos Aires Herald*, which commented that there was nothing in Dr. Eisenhower's report on his tour "which could not have been obtained from any career diplomat, and reports are undoubtedly on file in government offices in Washington equally informative and instructive."

More recent developments which have increased Latin American doubts as to Washington's real concern for them—at least in the economic field—are the establishment by the United States of import quotas for oats in order to protect American farmers from foreign competition (most of which comes from Mexico and Argentina), the suspension of a promised tariff reduction on canned meat from Uruguay and sliding-scale duties imposed on Uruguayan wool.

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Another instance of the Argentine President's influence and example took place in December in Ecuador, and in this case, strangely enough, it favored freedom of the press.

The influential newspaper *El Comercio*, of Quito, resumed publication December 27 after a forty-four-day suspension when President José María Velasco Ibarra lifted the ban on its publication in what observers called emulation of Perón's recent political amnesty in Argentina.

El Comercio was shut down when it refused to publish an official communiqué denying some anti-government rumors which had appeared in other papers, but which it had not printed. The editors insisted that, under the circumstances, publication of the statement would have been "insulting" to their professional dignity.

When it resumed publication, the newspaper carried the statement, but not in its news section. Instead, it distributed it as a separate leaflet printed in the Government Printing Office and attached to the comic supplement.

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The Perón technique of putting pressure on foreign-owned enterprises by mobilizing the government-controlled labor organizations has now spread to the Dominican Republic, which shares a Caribbean island with Haiti.

Recently Commerce and Labor Secretary Arturo Despadel announced that Dominican unions no longer wanted to work for the US-owned Porto Rico Sugar Co., the nation's largest producer, because of "discrimination." The announcement is regarded as the prelude to a drive to nationalize the firm's holdings.

Dictator and former President Rafael Leonidas Trujillo recently acquired large sugar interests.

In the cards: Korea Conference

SOMETIME this spring, the Communists will stop stalling and agree to convene the Korean peace conference. That, at least, is the conclusion of the handful of people at the United Nations whose business it is to know what is going on in the ROK.

Once the time comes to get down to real negotiations about the conference—and the belief at the UN is that the Communists already have set the date on their own private calendar—all the red tape about membership and agenda is likely to be packed away. The fact is that the issue which has been blocking the conference is not who should sit at the table, but the old question of prisoners of war—with a new slant. And sometime this spring that problem should become academic.

The crux of the prisoner problem is a lot bigger than the lives of the prisoners themselves. Both sides were waging a fundamental struggle of ideology. The United Nations side, in insisting that the prisoners had the right of free choice about going home, was telling everybody in the Soviet world that there was a way out, in peace as well as war, that they had not been dismissed as politically expendable by the free world. The Communists were fighting just as hard to maintain the basic rule of loyalty to the state: defection is death, there is no turning back.

For the Communists, there was something else involved. Only 2.7 per cent of the Red POWs had chosen to return to their homes in North Korea or China, hardly a boost for the joys of life under the hammer and sickle.

As long as these prisoners remained behind the barbed wire of the UN camps, the Communist negotiators at Panmunjom were not going to agree to a peace conference. The reason: the first item on the conference agenda would be the problem of those prisoners who had refused to return home.

The authoritative report is that the United Nations had prepared dossiers on thousands of individual cases, giving detailed explanations of why the Communist soldiers had said "No, thanks" to a return ticket. The case histories added up to a large-scale indictment of the Soviet system, written in human terms by those who had lived under it. The prisoner issue would have provided a perfect forum for the UN to make the dossiers public.

Once the facts in those files were spread before the world at the conference, the Communists not only would have been put on the propaganda defensive but would have had to give some convincing reasons why that 97.3 per cent had decided home wasn't all it was cracked up to be.

General Thimayya, commander of the Indian custodial troops, had done some paper work of his own. He had prepared a documented history of the ways in which the Communists had sabotaged the Neutral Nations Repatriation Commission. Given the chance by Nehru, he was prepared to put it before the peace conference if the prisoner issue was allowed to dominate the agenda. The Communists learned of Thimayya's report and did not relish the idea of fighting him in public.

Inside the Panmunjom peace pagoda, the United Nations team found that after November 20 the Communists just stopped dead. The formula finally worked out by the UN for the conference membership was plainly close to the original Red demands. The Communists were still not interested.

It was the clear impression of the United Nations team that the Communists wanted the conference all right—but not for a while, not as long as they were faced with the political lash-back of the POW issue.

The irony is that the United Nations' firm decision to release the prisoners toward the end of January will do a lot to take the Communists off the hook. Once the POWs have been released, the Communists can scream to the world that they have been robbed, that the UN has presented them with a *fait accompli*—but the screams will sound a certain note of relief. With the prisoners flown, the issue can be shifted to an inconspicuous spot on the agenda without the Communists losing face.

As of now, the chances are good that the United States will go back into the negotiating hut with comfortable political support from the United Nations. The General Assembly probably will meet in February to deal with two questions: the prisoner issue and the composition of the conference.

The Indians can be counted on to make a fuss about the release of the prisoners, but their position will not be very strong. Their own man on the spot—General Thimayya—had backed the US stand on releasing the prisoners, before he got his arm sharply twisted by New Delhi. Impassioned speeches by V. K. Krishna Menon will not be able to hide that fact.

The United States, therefore, expects the Assembly to give its support—direct or implied—to releasing the POWs under the armistice agreement as interpreted in Washington.

AS FOR the composition of the conference, it is a pretty fair bet that the Assembly will back up the proposals made at Panmunjom by a man who will be sitting in a United States adviser's chair, a man who looks like a beardless Santa Claus and who has made a better impression at the UN than any American delegate in a long time—Arthur H. Dean.

Mr. Dean will be one of the United States' strongest political weapons at the upcoming Assembly, even if he is not allowed to make a single speech. Friends of the US, incidentally, are hoping Washington will give Dean a chance to make a public report to the UN. But they are afraid that, protocol and the delights of the limelight being what they are, Henry Cabot Lodge, Jr., chief US delegate, will do all the talking.

Whether or not he gets a chance at the microphone, Mr. Dean's influence will be considerable. Before he went to Korea, he had a round of informal talks with UN delegates and there is something of a Dean Fan Club on the

East River. Among its members are certain Asian delegates who are not always so delighted with the US delegation or its personnel.

United Nations representatives found Mr. Dean—to use some of their own descriptions—"open-minded," "receptive," "fair," "genuinely willing to negotiate," "unconcerned with political laurels," "logical and knowing." Part of this enthusiastic reception was due to Dean's own personality. For the rest of it he should thank his peculiar position—he has no political post and wants none. He shows none of the touchiness of the negotiator who must weigh every move against what it might mean to his career.

BEFORE it adojurns, the Assembly probably will adopt a formula for the composition of the conference that resembles the one Dean last put before the Communists. The fact is that if the Communists want a conference, they can accept Dean's proposals—or a face-saving variation—and emphasize the fact that many of their own demands are included.

The Communists wanted Indonesia, India, Burma, Pakistan, and the Soviet Union to sit at the conference as neutrals. We are willing to have India, are eager for Pakistan, but are not keen about throwing in Indonesia and Burma, two nations which are tender to Communist pressure. Our formula would allow the neutrals to be chosen from among Sweden, Switzerland, Pakistan, India, Poland, and Czechoslovakia. The neutrals would have no vote, and could introduce no items.

The big rub, of course, is the USSR. We are not having Moscow as a neutral. We want the Soviets on hand all right, but with the binding responsibility of a vote. We do not insist that Moscow be labeled a belligerent, but only put in a special category, an idea already approved by the Assembly and not opposed too strongly by the Soviets.

Either in public or in private, Dean will be able to point out that the United States has come a long way from its first hard stand against having any neutrals take part in the conference. And armed with first-hand experience, Dean will be able to rebut any criticism of the US decision to break off the talks until the Communists had decided to really negotiate.

All this is not to predict that Dean will come charging in for the United States and score touchdown after touchdown for the home team. The UN is not a football game. Political decisions are made on the basis of political motivations, not political personalities. But in the words of one old hand at the United Nations:

"Any man who can make both John Foster Dulles and Krishna Menon say nice things about him is a good man to have around."

WORLD Drawing

"Now listen, Mr. Dean, of course we want to go on talking to you, you liar, you conspirator, you warmonger, you . . ."

The Party vs Malenkov

ONE year ago, as 1953 began, the greatest crisis in the Soviet world since the purges of the thirties was moving toward its dramatic climax: the death of Stalin. Today, as 1954 opens, another intraparty struggle mounts in tempo day by day: the conflict that will decide whether Georgi Malenkov will rule or perish.

The chief symptom of the new crisis, which has been brewing since the arrest of Lavrenti P. Beria last June, was the Leningrad purge of last November. The sweeping changes in the USSR's second city indicated that the lines of battle were being drawn between Malenkov and that new figure who rose so swiftly into the power vacuum left by Stalin's death, Nikita S. Khrushchev, First Secretary of the Soviet Communist party.

Leningrad is second only to Moscow in Party affairs. The Leningrad boss is frequently the No. 2 man in the Kremlin, and changes there are always highly significant of the general trend in intraparty affairs. Official news of the Leningrad purge stressed the personal intervention there of Khrushchev. The chief victim was Vasili Andrianov, boss of the Leningrad region and a Malenkov protégé. With him was purged another Malenkov man, Semyon D. Ignatiev, boss of the city itself.

The last important changes in Leningrad date back to the sudden and mysterious death in 1949 of Andrei Zhdanov, No. 2 man in the Politburo. Zhdanov had led the Party's extremist wing, was an advocate of war and international revolution against the West, and chief founder of the Cominform. He had put Georgi M. Popov in the Leningrad post. When Zhdanov died, Malenkov took his place; he promptly removed Popov and replaced him by his own man, Andrianov. Thus Malenkov, the spokesman for a more cautious policy, won control of Leningrad for his own faction.

In his new post Andrianov was a target for Malenkov's enemies, but managed to maintain his position. In October, 1952, at the Nineteenth Party Congress, Malenkov succeeded in moving him up in the Party hierarchy by getting him elected to the Presidium. His enemies seized this opportunity to transfer him from Leningrad, where he was master, to a secondary post in Moscow; he was replaced in Leningrad by F. R. Kozlov.

In January 1953 Kozlov started fierce attacks against Andrianov, accusing him of softness toward the Jews and criminal neglect of Party security. A few days later, the anti-Semitic campaign was explosively launched with the arrest of the Jewish doctors charged with a poison plot against Stalin. Thus Andrianov's removal from Leningrad was clearly a preliminary step in the anti-Semitic affair, an attempt to involve him in it and thus destroy him.

Stalin's death, however, halted all plans. Malenkov, stepping into the Marshal's shoes, had Andrianov returned to his Leningrad post. Ironically, when he again was removed last November, it was the same Kozlov who replaced him.

FROM these details a few basic conclusions may be drawn. First, the removal of Andrianov bodes ill for Malenkov. Second, Andrianov, like his master, was a relative right-winger in the Party who had been chosen for the Leningrad post in order to clear the region of extremists; his fall leaves them a clear field. Third, the most recent attacks against Andrianov came chiefly from anti-Semites who were apparently connected with Stalin's personal cabinet, and who went into eclipse after the Marshal's death. The major influence in this group is Kozlov, the bitterest of Adrianov's denouncers at the time of the doctors' "plot." Koslov and his friends now are rapidly climbing back to power.

What does this portend for Malenkov and Soviet policy in general?

For one thing, since the fall of Beria last June a return to Stalinism can be observed. For many months after Stalin's death there was little mention of him, and none of anti-Semitism. The anti-Semitic gang who engineered the doctors' plot vanished from the scene.

Now, however, Stalinism and the Stalinists are raising their heads again. There has been increasing mention of the late dictator in the press. Recently, and with much ceremony, his mausoleum was opened to the public. The "Short Course" in Party history embodying the whole Stalinist legend has been reinstated as the basic official document in the indoctrination of Party members. The trend is still far from the deification he received during his lifetime, but it indicates Stalinism's slow return.

FURTHER, it is obvious from the Leningrad purge that Malenkov is losing one stronghold after another in the Party machine. After Stalin died, he apparently moved up to become First Secretary; within a week, he was obliged to hand this job over to Khrushchev. Pro-Malenkov bosses of important Party organizations are now falling like autumn leaves. In June, L. G. Melnikov, Party chief and Premier of the Ukraine, was ousted; since Stalin's death he had been a consistent Malenkov supporter. In August, M. D. Bagirov was removed from Baku; he was the man who in April, from his fastness in Azerbaijan, had proclaimed Malenkov Stalin's successor.

Melnikov and Bagirov were the only two Party bosses who boosted Malenkov in the first months after Stalin died. Both are now gone, and Andrianov has joined them in disgrace. Of the major regional organizations Malenkov now holds only Moscow.

It is further clear that Khrushchev, now No. 2 man in the Kremlin, is involved in the campaign against Malenkov. Malenkov heads the government, Khruschev the Party *apparat*. The fact

that they are brothers-in-law is of no importance. Family relationships count for nothing in the Soviet power struggle.

Khrushchev is now also in charge of Soviet agriculture. In a sensational speech last September he denounced the catastrophic failure of Soviet food production. He then acted as spokesman for an official plan to revolutionize Soviet Agriculture, partly by offering incentives to stimulate cattle breeding and dairy farming, and partly by strengthening Party control over the collective farms and improving the state-owned machine tractor stations on which the peasant collectives completely depend. The plan thus attempted to combine two opposites: more private initiative and more state intervention—a program that is not likely to augur success.

BY the beginning of November, the agricultural reform plan broke down into its two components. A series of editorials in *Pravda*, mouthpiece of Khrushchev as Party Secretary, stressed the strengthening of the MPS, the machine tractor administration, greater Party control over agriculture and the mobilization of urban experts and Party members for the countryside. *Pravda* said nothing about private initiative, while at the same time the Ministry of Agriculture's official organ, *Agriculture*, emphasized personal incentive.

The explanation of this contradiction lies in the fact that the Ministry is headed by Ivan A. Benediktov, an old and fierce enemy of Khrushchev. Khrushchev's *Pravda* assailed Benediktov—who seems to be supported by Malenkov—in the most extreme fashion, charging him with "sabotage." The upshot was the separation of the Ministry into two parts; one of these, the new Ministry of Food Procurement, was put under one of Khrushchev's most trusted men.

The final outcome will show the balance of power within the Kremlin. The big question is whether Malenkov will be able to uphold Benediktov and the policy of greater private incentive against Khruschchev and the policy of increased state control and terrorism against the peasantry.

A PARALLEL struggle is being waged in foreign policy, in this case primarily between Malenkov and Molotov. The results are evident in present negotiations between Russia and the West: when Moscow blows alternately hot and cold, this is not due to supreme diplomatic skill. Some of the Soviet moves, such as the note of November 3 rejecting a Four Power Conference, do not make sense at all in terms of international affairs. But they do make sense in terms of the intraparty struggle.

Malenkov, for example, aims at detaching Britain from the US. Molotov, however, is known to reject any conciliatory move toward the West. The apparently senseless aggressiveness of some of the Soviet notes simply reflects the attempts of the Molotov wing to disrupt Malenkov's elastic foreign policy.

Molotov was at the height of his influence in the latter part of October and early November. The grand reception he gave to foreign diplomats on the anniversary of the Revolution served notice to the USSR and the world that he was again in actual charge of foreign affairs after having been on the sidelines at least since mid-1952. The hostile reaction which Molotov's intransigence has provoked in Britain and France, however, seems to have helped Malenkov to reassert himself. Every Soviet move in international politics now reveals two incompatible policies. The clearest instance was the Soviet note accepting President Eisenhower's suggestion of a secret atomic conference, while mouthing the wildest propaganda about immediate and total scrapping of atomic weapons.

BROADLY speaking, this brief summary reveals the struggle between a moderate—or at least cautious—wing led by Malenkov, and an extremist wing led by Khrushchev and Molotov. Though things have not gone well for Malenkov recently, his position is far from hopeless. Khrushchev has the Party, but Malenkov has the state machine. He has recently strengthened it by appointing five leading managers as Vice Premiers, thus appealing for support for the managerial class.

The real decision clearly lies with the Red Army, the only agency that holds physical power now that the MVD has been decapitated by the execution of Beria and six other high officials. It has been further weakened by the loss of many of its functions and by being excluded from both inner Cabinet and Presidium consultations.

A furious contest is going on between the Army's right and left wings. Marshal Zhukov appears to be the head of the moderates, Marshals Vassilievsky and Goverov, the leaders of the extremists. Marshal Koniev, who presided over Beria's trial—a symbol of the Army's total victory over its traditional enemy, the secret police—is trying to maintain an intermediate position between the two camps. It is too early to know which side will win, yet the victor in the intraparty struggle may be decided by the victor in the tug-of-war between the two Army factions.

The Grim Winnower

Are We the Missing Link?

WHEN the negotiations about pooling nuclear resources for peaceful use start, as they inevitably must, they will be conducted by the world's ablest diplomats, military men, and physicists. Ironically, however, the presence of atomic power in modern society has ceased to be a problem for the generals, the diplomats or even the scientists.

The characteristics of man's mind are making his possession of this almost astral source of energy into a problem of evolutionary biology. The issue is simply whether the ability to survive in a highly civilized society is inherent in the basic make-up of the species Homo sapiens.

Man's progress through the millennia has been marked by his increasing mastery over nature and its resources. Spurred by the will to live, he defeated cold, hunger, darkness, flood, drought, disease, isolation. By using his intelligence, he escaped the fate met by species which, unequal to the adversities of the world in which they lived, gradually became extinct and forgotten.

Our genus has tamed most of the challenges of nature—but apparently only to create by its own hands an artificial environment whose potential destructiveness is incomparably greater than any force we have encountered in nature itself. Shall we now be able to tame this monstrous brainchild of ours as our forebears were able to tame the wild forces with which they were confronted? This is a question which goes to the very roots of the human race's biological constitution.

The record of man's attitude toward the survival of his own kind is far from unblemished. To serve and preserve life has by no means been man's sole or even ruling passion. Even religion, the chief depository of his spiritual drives, propagated not only faith, but persecution and bloodshed.

We shall do well to keep in mind this eternal duality of our racial soul and mind—especially since nowhere before has it manifested itself so vastly and horrendously as in our modern industrial society. When has contempt for life been more general, more arrogant, more callous than in this century? And weren't the leaders in this parade of death two nations which have also given the world more than their share of great writers, scientists, musicians, thinkers?

In truth, a dark mystery still engulfs the destiny of this race of ours. With equal zeal and dedication we court the angels of life and death. Until now, however, the damage we have insisted on inflicting upon ourselves has been, from the point of view of the collective survival of civilization, relatively light. But from now on we are playing for the ultimate stakes; the final test is at hand.

EXPRESSED in the simplest terms, this test boils down to one question: Are we really the Homo sapiens or only an intermediate race in nature's march toward perfection?

In our philosophy, Man denotes a certain kind of being—first of all, a being with a lucid intelligence who pursues his task on earth by coordinating his mental faculties with his physical capabilities. He does this, according to our myth, in order to achieve an increasingly satisfactory physical, moral and spiritual well-being for his kind now and forever.

The coming decades will show whether or not this mythical, well-balanced, intelligent form of life actually exists, or whether the race we represent is capable only of dreaming it up while lacking the inborn talent to make it a reality.

We shall have to prove whether or not we are the last word in creation, or the last but one—perhaps what is known as the Missing Link.

This mysterious creature, the transitory stage between the higher apes and man, has been the object of search by scientists for generations, but no trace of him has been found. Is it possible that the search has been vain simply because in our arrogance we didn't look at ourselves? That we are not the achievement, but only the promise of something better that is still to come? That we are lacking that life-glorifying balance of our innermost drives, that majestic coordination of our talents and faculties which seems to be the ultimate aim of creation, and that, therefore, we must be replaced in the course of time by a higher form of life?

This may be a grotesque thought—and a sacrilegious one. But if it is, the fault lies with the era which inspired it. And if it is untrue, it is we and our children who must prove its utter falsity. I, for one, prefer to reserve judgment.

Bob Holmes

EDITOR

Was it a boon to America or money down a rathole?

THE TRUTH ABOUT FOREIGN AID

By ANNA B. DUTKA

If the total cost of America's foreign aid programs over the past thirteen years had all been paid in 1953, Americans would have had to work one day out of three during the year to foot the bill. This is the measure of the gigantic effort in which, from July 1, 1940, to December 31, 1952, the United States government extended $90.5 billion of gross aid to foreign countries in the form of grants and credits.

Through this program the US has written world history with dollar signs. But public opinion at home and abroad is strangely at variance about its basic significance for either the domestic or the international economy.

Foreign aid has been labeled both brazen imperialism and the salvation of democracy. It has been reviled as pouring money down a rathole and extolled as the most constructive measure of international cooperation ever undertaken. It has been denounced as a major cause of inflation and upheld as an indispensable prop to our prosperity.

Whether he likes it or not, every American—as taxpayer, voter, or businessman—is personally involved in this debate. Upon his understanding of the complex problems involved hinge important decisions and, to some extent, the economic health of the United States.

To bring this operation, with its astronomical figures, down to earth, we might simply look at it as a routine business transaction on the grandest possible scale. Most businessmen have had the experience of giving more credit to a customer already in debt in order to put him on his feet. They prefer to assume an added burden rather than let an important client go out of business. Also, businessmen know they must pay something for fire insurance and for the public maintenance of law and order.

This, in essence, is foreign aid. The big question, therefore, is whether or not we have saved our partners —in business, civilization, and defense—from bankruptcy at a cost acceptable to us.

To get a realistic answer to this basic question we must examine critically the four principal aspects of America's historic program of foreign aid:

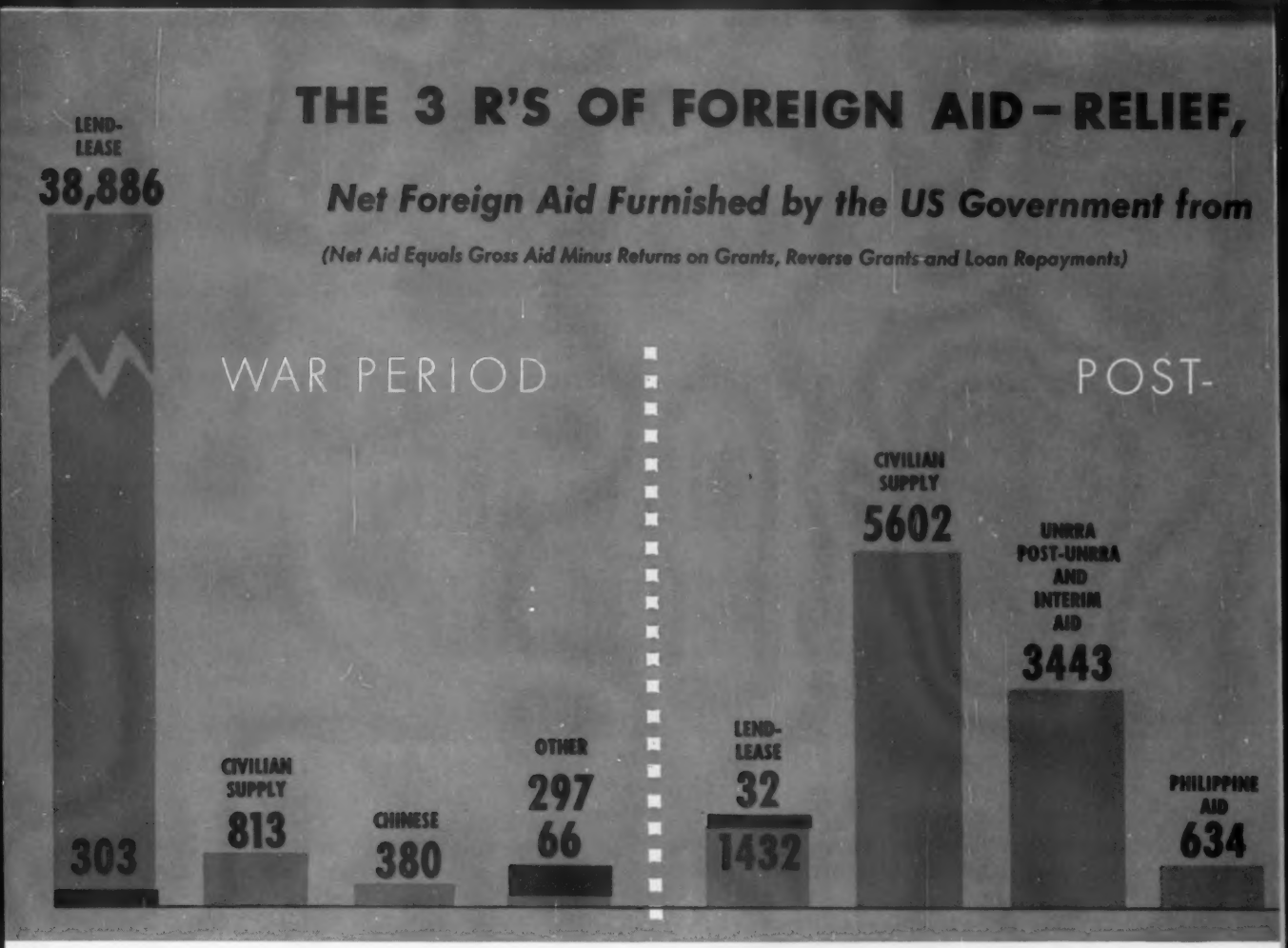
1. Who got how much money, in what form and for what purpose?

2. How was the money used to procure goods and services, increase industrial and agricultural production and stabilize currencies?

3. What were the effects, beneficial or adverse, of the program on the economic health of the US?

4. To what extent did foreign aid strengthen the recipient countries as our economic and political partners?

Anna B. Dutka served as economist for a number of federal government agencies in Washington, among them the War Production Board, the Foreign Economic Administration and the Office of International Trade of the Department of Commerce. At present she is analyzing the development of Europe's international trade position in the pre-1914 period, with particular reference to Germany. She did graduate work at the New School for Social Research and Columbia University, and has taught economics in the latter's School of General Studies.



Where the money went

More than half the $90.5 billion of US aid was extended during and right after World War II. The lend-lease program, part of America's gigantic struggle for victory, absorbed a total of $49.1 billion. This was followed by several relatively modest programs of a humanitarian nature, designed to avert starvation through relief and rehabilitation assistance.

In 1947 it became obvious that this assistance, even coupled with Europe's own efforts, would not save the area from economic ruin. America's response to this harsh fact was the European Recovery Program (ERP), also known as the Marshall Plan.

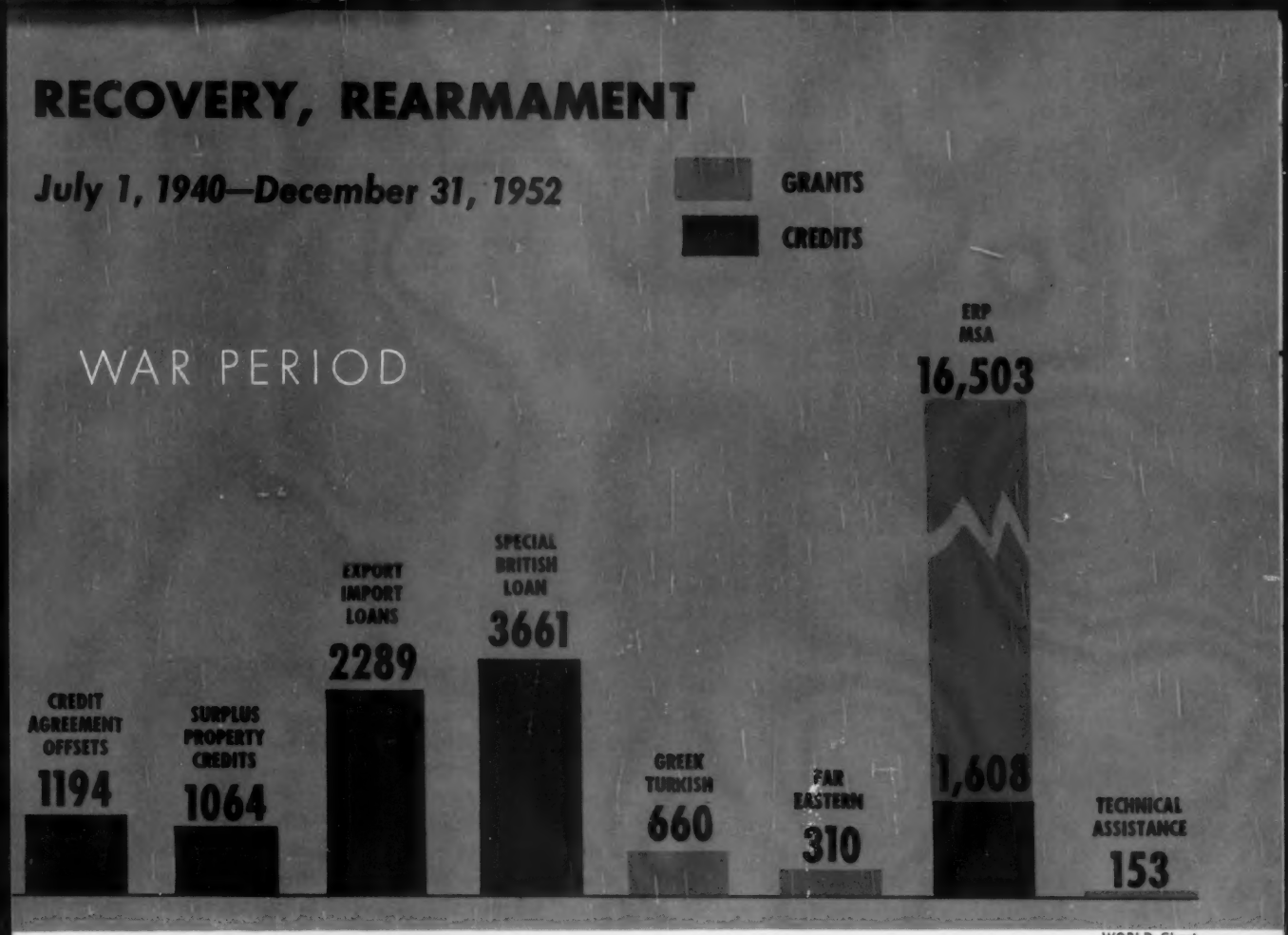
The Economic Cooperation Act (1948) which outlined ERP justified its name by emphasizing the cooperative character of the program. The American agency, the Economic Cooperation Administration (ECA), working with its opposite number in Europe, the Organization for European Economic Cooperation (OEEC), developed unified programs for Western Europe as a whole and also negotiated separate agreements with the sixteen individual members of OEEC. These agreements stipulated that aid recipients: (1) achieve production and export goals; (2) stabilize their currencies; (3) balance their budgets; (4) develop fuller trade among themselves.

Since the major symptom of Europe's economic malady was the famous "dollar gap" in her trade account, aid to be provided under ERP was tied to the $22 billion deficit foreseen for the four-year period 1948-52. One-half of this total authorized aid could be used to procure goods from non-American sources. This system of "offshore procurement," by which goods were produced abroad, paid for by the US government and transferred to recipient governments as aid, served to expand these countries' productive capacity and increase their precious dollar earnings.

More than $10 billion in grants and credits was extended under ERP from its inception in April 1948 to June 30, 1951. Principal recipients were the United Kingdom ($2.68 billion), France ($2.06 billion), Germany ($1.17 billion), Italy ($1.03 billion) and the Netherlands, including Indonesia ($0.89 billion). ECA aid was also extended to China (and later Formosa), Korea, and other Southeast Asian nations not already receiving aid as dependencies of ERP countries.

Guns again

Postwar aid before Korea was largely economic—with two exceptions. Military assistance worth $700 million went to China, and about $0.67 billion of Greek-Turkish aid, largely military, was given under the Truman Doctrine promulgated in 1947.



WORLD Chart

The general shift from economic recovery to rearmament as a major objective of American foreign aid came with the creation of the North Atlantic Treaty Organization (NATO) in 1949. Recognizing that the Soviets might put their enormous and growing war machine to use if opposed by nothing but phantom defenses in the free world, Congress approved funds in October 1949 for mutual defense (military) assistance to European members of NATO and to nonmembers such as Greece, Turkey and Korea.

From the start of the military assistance program in 1949 to the end of 1952 a total of $11.2 billion was allocated to the Department of Defense for Europe alone. In this same period actual shipments lagged far behind; only $2.6 billion in military supplies was forthcoming from the United States. Offshore procurement contracts amounting to an additional billion dollars were expected to be placed in Europe by the end of fiscal 1953, with dollar earnings from such contracts of particular importance to France, the UK and Italy.

Aid appropriations for the non-European world since 1950, like aid to Europe, have been largely for military purposes. The Far Eastern program derived its impetus from the China Areas Aid Act of 1950. In the two-year period from June 1950 to June 1952, $1.3 billion in military aid was authorized, of which $400 million was actually shipped. This contrasts with the $640 million for economic assistance to the area in the period 1948-52.

Near Eastern and African aid followed a similar pattern. Allocations of military aid in the 1950-52 period came to almost a billion dollars (of which one-third was actually shipped), while in the same period economic assistance amounted to one-tenth that sum.

Economic aid, however, was found to be a necessary component of military assistance. The intensification of Europe's dollar gap problem during the post-Korean inflation had seriously impaired her ability to import supplies essential to her defense industries. By supplying the dollars needed to finance these imports, and by preventing diversion of industrial capacity from defense to export production, economic aid became an important form of "defense support."

By supplying loans as well as grants in the foreign aid program, the US government has become banker for the world. From July 1, 1940, through December 31, 1953, the US extended $13 billion to its friends and allies in credits actually utilized, bearing interest charges ranging from 2 to 4 per cent and carrying preponderantly long-term maturity dates. Almost $12 billion of this $13 billion was loaned after the war.

As of December 31, 1952, $2.6 billion of the total principal had been collected. In addition, $800 million in interest and commission charges had been received as of December 31, 1952.

What the money bought

The objectives of these vast aid programs are reflected in the types of commodities either supplied directly as aid or financed through aid dollars.

Lend-lease consisted of a wide variety of goods, ranging from nuts and bolts to massive agricultural equipment and complete factories. This "aid-in-kind" was continued under the civilian supply and UNRRA programs, but with the emphasis shifting from relief to reconstruction and recovery under ECA, and then to "defense support" under the Mutual Security Agency (MSA), the list of items became even more varied.

In the first fifteen months of ERP, agricultural supplies made up more than half the total commodity shipments, which represented a decline from the dominant position of such items in the relief programs. The percentage continued to drop, and by 1951 had fallen to one-third.

Bread grains, especially wheat, have constituted the most important single class of commodity in the combined ERP-MSA span of operations. They have represented one-third of all agricultural products shipped and one-sixth of total shipments of all kinds. Cotton ranks second in importance.

Industrial commodities (exclusive of military equipment) absorbed as large a share of total aid funds as agricultural for the first time in 1949. By 1951 two-thirds of all aid funds were devoted to their procurement. Petroleum and petroleum products, and machinery and equipment, have constituted the most important categories of industrial procurement.

The system under ECA whereby one-half of total American aid could be used to procure goods outside the United States was continued under MSA. Actually, as much as two-thirds of the combined commodity shipments under ECA and MSA have been American in origin. Cotton, coarse grains, tobacco, dairy products, machinery and equipment, chemicals and motor vehicles have come almost exclusively from the US.

Europe takes two steps

Two special types of financial arrangements were instituted under ECA and continued under MSA: the counterpart system and the European Payments Union (EPU). Both were intended to help stabilize the domestic and international monetary situation of the aid recipients through "secondary" assistance.

The counterpart system requires that countries which receive grant aid deposit in special accounts amounts of local currency equivalent to the dollar aid received. By requiring the "immobilization" of such funds, releasing them only for projects that would increase production or improve the country's financial position, the US hoped to strike a blow simultaneously against inflation and for greater internal stability.

The MSA Act of 1951 extended the acceptable use of these funds to include military production and construction. The MSA Act of 1952 went farther, directing that unless specifically authorized, counterpart funds were to be used only to carry out the purpose for which the Act was intended: military assistance and defense support. Total counterpart funds available for European countries' use from the beginning of ERP through 1952 have amounted to $10.6 billion, and the total approved for withdrawal, $9.2 billion.

The liberalization of intra-European monetary relations was expected to directly further the expansion of intra-European trade, and thus indirectly the ERP's objective of reducing Europe's dollar-import requirements. A portion of ERP funds was therefore earmarked for support of the Intra-European Payments Agreements of 1948-50, and in 1950, for the newly organized European Payments Union.

The United States contributed $350 million as working capital to start the agency off, and provided an additional $195 million in 1951. Further US aid was extended to creditor members conditional upon their extension of credits to debtor members. The total contribution of the United States came to $1.6 billion.

Profit and loss for the US

What has the United States received in return for this vast expenditure?

Controversy over foreign aid moved into the public arena with the Greek-Turkish program and came to a head with the Marshall Plan. Many feared ERP's inflationary impact on a US economy already having a roaring inflation. While the total cost of the proposed foreign aid was not expected to exceed about 2 per cent of our total production in any one year, it was felt that the commodity composition of this aid would be extremely important, since a foreign drain on such short-supply items as steel, farm machinery, freight cars, electrical machinery and grain would cause a multiple increase in the prices of other commodities. The Administration promised to minimize this danger by strictly reviewing the requirements submitted by the countries expected to participate in ERP, by using offshore procurement for items in especially short supply in the US, and by reimposing export controls.

Given the high level of demand in the United States, however, there was no doubt that foreign aid would induce further inflation. The President's Economic Report of July 30, 1948, had this to say:

> The foreign aid program is not designed to put props under our current business boom. The unfilled demands of the American market, with its enormous purchasing power, would sustain our prosperity for the present even if foreign markets were sharply reduced. We are deliberately subjecting ourselves to inflationary pressures on the domestic economy in the short run, in order to contribute to international security and economic stabilization in the long run.

Although ERP added to the general inflation at its inception, and therefore was harmful from a strictly economic point of view, special interests have definitely benefited from it.

Shipping interests, for example, succeeded in hav-

ing eliminated a provision originally incorporated in the ECA bill which would have permitted ECA to sell 200 Liberty ships and to charter an additional 300 to countries participating in ERP. The favored treatment of American shipping was continued under the Mutual Security Program (MSP) with the "50-50 American-flag provision" which required that at least 50 per cent of the goods sent abroad under programs developed by MSA be transported in American-flag vessels.

Foreign aid has been even more signficant in supporting the profits of the machine tool industry. This industry had not ridden the wave of the postwar boom because it had to compete with a sizable stock of war-surplus tools. ERP helped the industry to maintain at least a marginal position.

In the first twenty-seven months of ECA operation, aid financing proved enormously important in bolstering American agricultural exports: about one-half of total US cotton exports, one-third of wheat, four-fifths of corn, one-third to one-half of tobacco, and one-fourth of dairy products moved on ECA procurement authorization. The abnormal European demand for fuel in this same period resulted in 27 per cent of total US exports of coal and 17 per cent of petroleum being shipped through ECA in its first fifteen months.

More than meets the eye

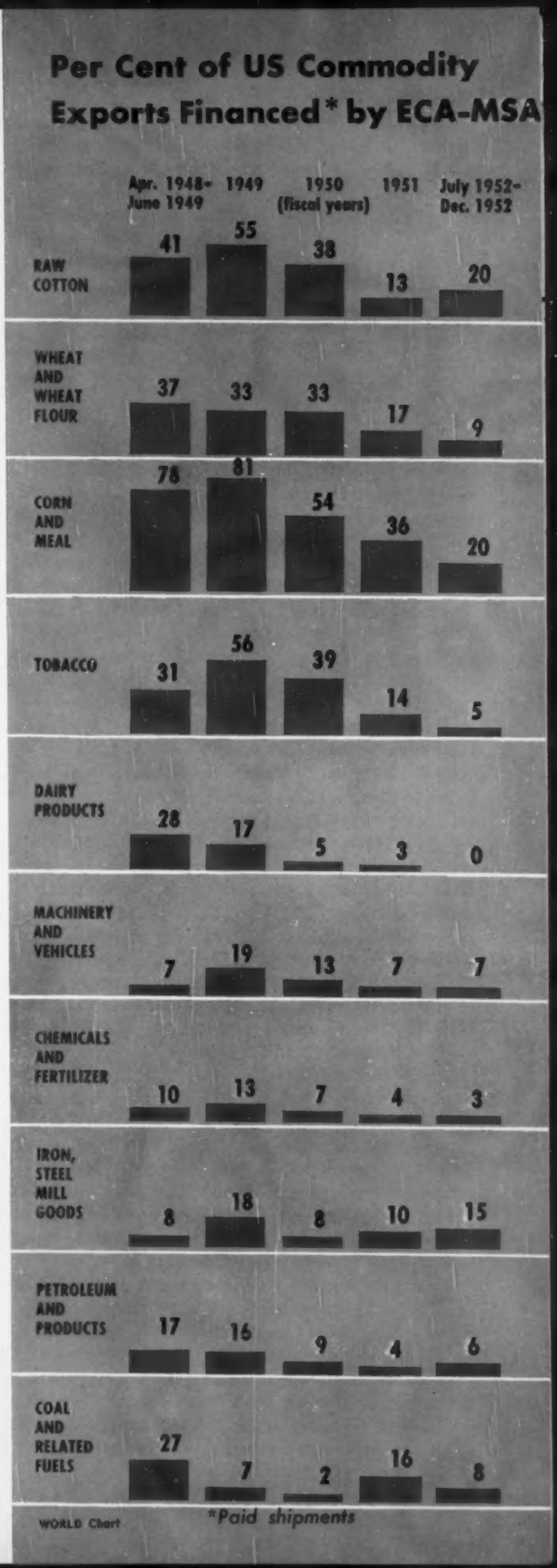
These estimates do not do complete justice to the benefits accruing to the US economy from foreign aid. For one thing, only ECA-MSA financed exports are considered. For another, military shipments under MSP on which no commodity details are published have of necessity been excluded, although it is clear that they have been important to the automotive, machine tool, radio and electronics industries.

Apart from these direct exclusions, there remain the indirect effects upon our export trade of offshore procurement. Many of the dollars earned in this manner by Canada, Latin America and the OEEC countries can be assumed to have returned to the US in payment for exports of American products.

In addition, there are the increased earnings of industries auxiliary to those directly concerned with the production of aid supplies, as well as of the railroads and other carriers of aid shipments. Furthermore, the very broad grouping of commodities tends to suppress the importance of aid-financed exports to individual crops and industries.

The general importance of foreign aid to the maintenance of our export levels is clear. Before the war, about one-seventh of the world's total merchandise exports came from the United States. In 1947 this share was one-third. With other aid programs terminating, however, and with ERP not fully under way, US merchandise exports declined to one-fourth the world's total in 1948. From 1947 to 1948 our export surplus fell from $11.5 billion to $6.7 billion.

Even with the institution of ERP the export surplus declined further, to $6.4 billion in 1949, and US mer-



chandise exports comprised only one-fifth of the global total. This drop reflected the reduction in non-aid sources of dollars of foreign countries and the import controls they imposed as a partial countermeasure. The quantitative importance of US foreign aid as a means of financing our export surplus makes it clear that US trade with ERP countries in particular was heavily dependent upon this prop after April 1948 and would have fallen drastically without it.

The larger picture

These facts notwithstanding, it is impossible to conclude that, because particular crop producers and industrial interests have profited from US foreign aid programs, the economy *as a whole* has received similar benefits. Korea and large-scale defense spending came too soon after the decline in employment levels of 1949 to permit predictions about the contribution foreign aid *would* have made, in the absence of defense expenditures, to the maintenance of employment and production in the United States. Alternative sources of demand might have been forthcoming to maintain the levels of income and employment credited to aid-financed exports, and at less inflated prices. Moreover, by increasing the tax load, foreign aid has decreased the money income available to the American public and, by contributing to the inflated prices of available goods, has lessened the purchasing power of this diminished income.

This conclusion disregards the political, social and military advantages of foreign aid. Furthermore, several qualifications should be attached to it. Even without foreign aid, some portion of these aid shipments would have found their way through regular commercial channels to foreign markets, financed by the limited but existent dollar reserves of foreign countries. Again, the inflation of food prices (particularly hard on lower-income groups) cannot be laid entirely at the door of foreign aid. With the maintenance of parity levels, a decline in farm prices would have promptly been checked by storage of "surpluses" and crop restriction payments.

Yet another qualification arises from the fact that, given the commitment of any US administration to prevent a large-scale depression, at least part of the money spent for foreign aid would have been spent on anti-depression projects, were they found necessary.

It is an economic truism that the level of national income, production and employment is determined by the level of demand, and that the latter in turn can take the form of domestic consumption, business investment, government spending and the accumulation of an export surplus. American anti-depression policy largely reduces to dependence upon government spending to compensate for any sizable deficiency in total demand caused by a decline in the other spending activities. The argument has been advanced that government spending in the form of foreign aid can attain the same anti-depression goals as government spending in the form of domestic projects, and that, in a world out of balance, it can reap returns out of all proportion to the dollars spent.

This poses the larger problem of the probable trend of the American economy once the stimulus of vast military expenditures is removed. It is not politically sophisticated to expect that large-scale *government* foreign aid will be used as an anti-depression measure in the near future. Those who claim that this was the major reason for its use in the past five inflation-ridden years should explain why, in the face of an anticipated sizable decline in military spending, when foreign aid could for once play the role claimed for it, the 83rd Congress has so consistently tried to kill it.

The balance sheet abroad

Foreign aid programs have had a mixed effect upon the domestic economy; their success in attaining their objectives abroad has also been qualified. On the credit side of the ledger, ERP registered impressive production gains. At the end of 1951 the level of industrial production in the participating countries was 41 per cent above prewar and 64 per cent above 1947; agricultural production was 9 per cent above prewar and 24 per cent above 1947. In spite of lagging coal output (the major disappointment), steel production, always a significant indicator in an industrial area, had doubled since 1947 and was 20 per cent above the prewar level.

The magnitude of these achievements can be seen in better perspective when it is remembered that after the less exhausting World War I it took Western Europe a good seven years just to regain prewar production.

Foreign aid has not, however, solved the persistent problem of the dollar gap. From the bad crop year of 1947 to the Korea-induced inflation of 1951, Europeans have inhabited an Alice-in-Wonderland world where they have to run as fast as they can to stay in the same place.

Even if these fortuitous events had not intervened, foreign aid could not have permanently closed the dollar gap. This problem has its roots in the deterioration of the system of multilateral trade relations that emerged around 1870 and survived in varying degrees until World War II. American grants and credits served mainly as a holding operation until the outlines of a more enduring solution began to emerge.

Judged by this yardstick, foreign aid, from lend-lease to Mutual Security, has been a success. At the cost of an increased economic burden on the domestic economy, communism was denied victory in Western Europe, an area that before the war conducted more than half the world's trade, operated two-thirds the world's shipping tonnage and had a combined output of coal, steel and chemicals exceeding that of the US. Today, largely because of foreign aid, it stands as America's mightiest trading and military partner.

HOW FOREIGN AID BENEFITED U. S. AGRICULTURE AND INDUSTRY

($ million except where otherwise indicated)

	FISCAL YEARS				
	1948	1949	1950	1951	July-Dec. 1952
AGRICULTURE					
National income from this field	21,310	16,274	16,832	19,305	9,326
ECA-MSA exports: $ value	1,542	1,262	947	479	155
% of income	7.2	7.8	5.6	2.4	1.7
Full and part-time employees	7 millions				
MACHINERY and VEHICLES					
National income from this field	16,782	16,567	20,833	25,394	14,229
ECA-MSA exports: $ value	280	546	432	270	113
% of income	1.7	3.3	2.1	1.1	.8
Full and part-time employees	3.6 millions				
IRON and STEEL MILL PRODUCTS					
National income from this field	8,713	7,629	10,109	12,402	5,737
ECA-MSA exports: $ value	69	99	43	76	48
% of income	.8	1.3	.4	.6	.8
Full and part-time employees	1.75 millions				
PETROLEUM and PRODUCTS					
National income from this field	5,502	4,658	5,134	6,289	3,073
ECA-MSA exports: $ value	149	75	52	33	24
% of income	2.7	1.6	.1	.5	.8
Full and part-time employees	500,000				
COAL and RELATED FUELS					
National income from this field	2,455	1,740	1,992	2,185	959
ECA-MSA exports: $ value	157	22	9	106	17
% of income	6.4	.1	.5	4.9	1.8
Full and part-time employees	500,000				
CHEMICALS and RELATED PRODUCTS					
National income from this field	4,383	4,627	5,312	6,515	3,225
ECA-MSA exports: $ value	86	83	57	32	10
% of income	2.0	1.8	1.1	.5	.3
Full and part-time employees	700,000				

Chilean Stocks Offer Unusual Dividends

SANTIAGO

WHEN North Americans want to buy securities, they generally go to one of the major US stock exchanges. Chile, however, affords a remarkable opportunity for such investors because dollars can be legally sold in the form of checks on New York banks and the peso proceeds invested in selected Chilean stocks. The dividends can be converted into dollars at the free exchange rate, which may be higher or lower than the price the buyer originally paid.

Thus there is an element of risk, since the exchange rate may move against the investor, but this flexibility also means that the investor may benefit when he sells his peso stocks.

But banking on a favorable turn in the exchange rate (the dollar is currently worth about 110 pesos) is not Chile's foremost attraction. US citizens are likely to give pre-eminence to the high annual dividends paid on some first class bank and industrial shares. In some cases these dividends amount to more than 10 per cent of the capital invested—much more when calculated on the stocks' par value.

A case in point is the Banco de Chile, which has a capital issue of four million shares with a par value of $0.50. It was recently priced at $4.15 on the Santiago Stock Exchange. Dividends paid in 1952 totaled $4.03 and undistributed dividends for that year came to another $4.80 per share.

Copper, manganese and coal mine stocks, shares in sheep farms, nitrates, textiles, cement, lumber, beer, shipping, paper mills, sugar, tobacco and metallurgical companies are in a similarly strong position. All of these stocks have a low par value even at present quotations, which in the case of the Banco de Chile is 830 per cent above par, so that the dollar cost of the shares is very low.

American investors get so much smaller a return in the US that they probably will not be deterred by the exchange problem. Further, Chilean stocks are recognized by the major exchanges. For example, Anglo-Lautaro Nitrate Corporation is quoted on the New York and London exchanges at ten times the par value of the issues listed on the Santiago Stock Exchange. Aside from the problem of exchange rates (and the rate would have to fall drastically before earnings would be seriously affected), the only other drawback is a 15 per cent tax on dividends that has to be paid in Chile—not much of a stumbling block in view of the enormous return on investments.

Greece Lures Capital With Liberal Laws

ATHENS

In Parliament, the Papagos government is pushing an investment law designed to attract much-needed foreign capital by giving investors solid legal guarantees.

Under the new law, which will probably be enacted soon, the definition of "foreign capital" is broad enough to include machinery, materials, patents, technical processes and trademarks. Foreign enterprises will be allowed to keep their books in their own currency, employ foreigners in key posts and pay them in foreign currency.

The law also exorcises the bugaboo of expropriation. Companies set up or greatly aided by foreign capital are exempt from expropriation. Requisition is permitted only in wartime and must be followed by agreements providing compensation payments in six monthly installments. The law stresses that foreign companies will be given the same treatment as Greek firms. During peacetime operations no capital is repayable before one year, but 10 per cent of capital and interest, and dividends equal to 12 per cent of capital invested can be transferred abroad annually after the first twelve months.

Special tax treatment is also under consideration. For a ten-year period corporate income taxes will remain the same. Customs duties will be either reduced or eliminated for the machinery, accessories, spare parts and tools required to establish a factory. There will be no export restrictions or export tax on the products made in the plants as long as internal demand is met, and the government gives assurances that there will be no retroactive taxes.

But even these guarantees probably wouldn't be enough to attract much private US capital if Greece were not well along in her recovery program.

After more than a decade of dictatorship, war and revolution, Greece was so economically unstable that she was shunned by foreign investors. US aid enabled the government to increase both industrial and agricultural output. The most recent production index shows a 25 per cent increase over the highest postwar figure, with the greatest advances made in chemicals, building materials, wearing apparel, foodstuffs and unfinished textiles. Of extreme importance to a country with a great many hungry citizens is the fact that in 1952 agricultural production rose 36 per cent.

Resource Development

Most new private US investment is closely tied to natural resources, since Greece's economic salvation depends on developing her soil and subsoil products like bauxite, magnesite, manganese, nitrogen, nickel and iron ore. In order to speed the growth of industries in this field the government has initiated a four-year investment program which includes a $238 million fund earmarked for private industry. The government expects to provide up to 50 per cent of the capital for new enterprises, and so far it has received some thirty offers from corporations eager to cooperate. Among them are Anglo-Iranian Oil, Shell Oil, Socony-Vacuum, Cities Service, Krupp, and a French syndicate.

An American firm—Hellenic Hydro-Electric and Metallurgical Corp. — is about to start work on a project that will irrigate the Salonika plains. Its eventual investment will total $60 million, including the largest power plant in Greece and basic industries. Several other US firms may join the Hellenic development, among them Westinghouse, Raymond Concrete Pile and Chicago Hydro-Electric En-

gineering, as well as New York banking groups.

For smaller manufacturers many good opportunities exist. As agricultural production is stimulated by irrigation there will be a demand for food processing and canning factories as well as for agricultural machinery. And as industrialization grows, office equipment and light metal products will be needed; with the new factories that are planned, these products should be much easier and cheaper to produce in Greece.

These industries (and others) are expected to receive just as cordial treatment from the government as the bigger companies, since Premier Papagos recognizes that home-produced foods and textiles will help make his country self-sustaining.

But the Greek government is being selective about granting permission to construct factories. It turned down an offer from a French group to build a large textile mill on the ground that it would create a crisis in the existing plants; the Greek textile industry is already meeting national needs and is getting ready to export.

According to local bankers, the government's rule concerning new investment will be that the proposed facilities must improve either Greece's domestic economy or her balance of payments.

Competitive Free-for-All

The imminence of the new legislation is attracting European investors, which means that Americans will not lack competition. German industrialists are prepared to sell machines on credit, payable in agricultural products. Krupp has agreed to furnish material for the exploitation of nickel mines at Larissa and generators for a power station—a total investment of about $22 million. In addition to this, Krupp is discussing mining coal at Ptolemais and there are German proposals for a match factory and various schemes to extract valuable minerals. In still another deal a French group, backed by Swiss capital, will construct a hydroelectric plant on the Megdova River, using French equipment.

Banking circles in Athens are convinced that the opportunities for US private investment are here for the taking—as long as the projects meet the criterion of bolstering the economy. It is conceivable that the competition will be tough when it comes to bidding for a specific project, since the Germans are extremely eager to get into the picture. But a shortage of credit may restrict their participation.

Brazil Develops Underwriting Industry

RIO DE JANEIRO

Bankers and economists here agree that Brazil's economy has outgrown the one-man or one-family operation of the past. They believe the best way for this troubled country to solve its economic problems would be to develop public financing through investment enterprises.

Investment bankers already in business are doing a good job of luring Brazilians away from the tempting but unhealthy profits of "quickie" real estate ventures into safer projects.

Before 1945 investment banking in Brazil was the province of the itinerant stock peddler, his hip pockets bulging with gold mine stocks of dubious value. He was generally considered to be beyond the pale of decent society. US capital — and courage — finally broke down the native prejudice against stocks and the people who sold them. In 1946 Deltec, S. A. was formed by a group of young Americans, all with experience in investment banking. At the start they stuck to the field of public utilities—usually subsidiaries of American companies. Having pioneered profitably in one field, Deltec launched Brazil's first investment trust—Valeria, S. A. This issue includes stock in sixteen of Brazil's gilt-edged organizations and last year paid 12 per cent.

Deltec's success — based on North American methods of underwriting and stock selling—has brought others into this fresh market, but there is still plenty of room for more. The biggest new entry is Interamericana de Financiamentos e Investimentos, S. A., founded by the Chase Bank of New York, Rockefeller's International Basic Economy Corporation, and twelve of Brazil's largest banks.

Brazilians, seeing the success of foreign bankers, have also gone into business on their own. The three largest native firms are Finabras, S. A. (headed by the President of the São Paulo Stock Exchange), Consorcio Brasileiro de Investimentos, S. A., and Roxo Loureiro, S. A. Some forty-five other investment companies are in business, but some of them may be suspect since adequate laws to control their operations are lacking.

The big companies handle only the soundest investments and have been known to turn down offerings of well-known stocks because they did not consider them sufficiently solid. Public utility issues remain high on the preferred list but a great variety of firms have been underwritten recently. These include cement companies, a ready-made men's clothing company, a flour mill, subsidiaries of Meyer Chemical Co. of Detroit, Optiwork of Germany, Snia Viscosa of Italy, Revere Copper and Brass, an air line, real estate developments, a bank and a brewery.

Plenty of Room

The combination of all these reputable firms—both domestic and foreign-controlled—has given investment banking a sound standing in Brazil's economic life and has brought a lot of money out from under the mattress. One of the most encouraging things to US underwriters about the whole trend is that so much of the market still remains to be explored.

As the director of one all-Brazilian investment house said: "The field here is enormous and we welcome competition as long as it comes from companies which operate on a sound and solid basis and do nothing to lower the standards and reputation of investment banking in Brazil."

In other words, as long as US investment bankers follow the same rules they do at home, the door is wide open for them to take advantage of the very large profits which can be made from underwriting in a country still on its way to industrialization.

Wrapped in sleep... wrapped in love

Day's end for tiny legs and arms ... the bedtime story told, prayers said, the tired little body held for a moment's hug, then tucked into bed ...

Seal the day now with her good-night kiss and let her drift away into slumber, safe and secure.

Security is the deepest need of our living, and its greatest reward. To provide it for those we love is a privilege possible only in a country like ours.

And this is how we make America secure: by making our own homes so. One secure family circle touching another builds a secure land.

Saving for security is easy! Here's a savings system that really works—the Payroll Savings Plan for investing in United States Savings Bonds.

Go to your company's pay office, choose the amount you want to save. That money will be set aside for you before you even draw your pay. And invested in Bonds which are turned over to you.

If you can save only $3.75 a week on the Plan, in 9 years and 8 months you will have $2,137.30. For your sake, and your family's, too, how about signing up today? Or join the Bond-A-Month Plan where you bank.

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Will We Export Recession?

By Sipa Heller

Professor of Finance, Graduate School of Business Administration, N.Y.U.

CONTRARY to the belief often expressed in Europe, the coming decline in US business activity is not likely to be steep or protracted and its impact on the free world should not be as great as that of our 1948-49 dip. The Federal Reserve Board index of physical volume of industrial production declined from 243 in March to 228 in November 1953, a decrease of 6.17 per cent. At annual rates, however, the gross national product in the third quarter was only 0.91 per cent smaller than during the second quarter of the year, while disposable personal income, at $249.8 billion, was actually 0.85 per cent larger than in the April-June quarter.

It is possible, nevertheless, that economic activity, as measured by the Federal Reserve index of industrial production, may decline to 220 or 215. Should this happen, the readjustment in 1953-54 may resemble the moderate and short-lived 1948-49 business recession, when the index of production declined 16 per cent. In contrast to the 1948-49 readjustment, however, wholesale commodity prices are fairly stable and no material decline in this index is expected.

Several other probabilities argue against a decline on the order of 1948-49. The need for public works such as roads, schools and hospitals is very great and construction outlays for these facilities in 1954 are expected to be bigger than in 1953. The building industry is still operating at a high level and no significant decline is anticipated here. Business investment in plant and equipment in 1954 should continue at a high level, probably only 5 per cent below the 1953 record amount. Total government expenditures in all probability will remain at the 1953 level, since any decline in federal expenditures is likely to be offset by an increase in state and local government expenses. Consumer spending also should remain high, stimulated by the 10 to 11 per cent cut in individual income taxes.

Business activity in the US so greatly influences conditions in the free world that even a minor readjustment will affect the economies of the other free nations. This impact would make itself felt most acutely in lowered imports and a reduction in tourist expenditures.

The cut in US imports threatened by a downward trend in business activity would be counteracted to some extent by the Administration's purchase of strategic raw materials for stockpiling. The exporting countries can help themselves by preventing sharp fluctuations in the prices of basic raw materials they sell to the US. Then, too, some of our principal imports such as rubber, tin and wool have already declined in price and a further decrease is not expected.

THERE is direct connection between economic conditions in the United States and the number of Americans traveling abroad. In 1952 expenditures by US residents in foreign countries, including fares paid to foreign shipping and air lines, amounted to about $1 billion.

As I have said, our disposable personal income is not likely to decrease materially. In fact, it may not decrease at all. Therefore the number of Americans and the amounts they spend abroad will depend primarily on the inducements offered by countries outside the Iron Curtain. Lower transportation and hotel charges and better promotion are likely to stimulate travel.

Protectionist With a Cause

H. Wickliffe Rose, president of the American Tariff League, is the high priest of protectionism in the United States. Yet he does not sport the horns and tail that free traders commonly associate with his faith. Indeed, at fifty-seven, Rose exudes the quiet contentment of one whose life has been filled with constructive purpose, romance and beauty. To understand why this charming and erudite man—an internationalist to boot—believes wholeheartedly in tariffs, one must discard the stereotype and discover the hidden passion of his life.

Born in Nashville, Tenn., Rose entered Harvard in 1915. The day the US declared war he enlisted in the Navy and was promptly sent overseas, where he served until the Armistice in an anti-submarine destroyer squadron off the war-torn coast of France. In 1937 he published a book on his experiences, *Brittany Patrol: The Story of the Suicide Fleet*.

Returning to Harvard after the war, Rose applied himself to his studies with enough zeal to graduate with his class in 1919. (A partisan may argue that a minor clue to his acceptance of protectionist dogma is furnished by the fact that he was forced to telescope his economic studies!)

His first thought on leaving college was to find a career in shipping. "I got an international point of view during the war," he recalls, "and I've had it ever since." Frustrated in his desire to go down to the sea, he worked briefly for an automobile company, but found it offered little scope for his talents and nothing to nourish his soul. He decided to enter the textile industry.

This decision was of major importance, for textiles soon became the poetry of Rose's life. "The industry was old," he admits, "but wide open for improvement and imagination. Textiles are man's second need. There's no end of room for ideas in the industry and I've never for a moment regretted joining it."

Rose plunged into cotton purchasing for three mills. It was here he got his first taste of the pleasurable alliance between beauty and utility, two qualities he cherishes. He combined his love of technology and photography to take pictures of staple fibers through a microscope. Before long he could tell the very soil in which they had been grown, exactly as a connoisseur identifies the product of a particular vineyard. He still treasures the little research booklets—complete with photographs—that he turned out during this period.

Rose's enthusiasm, energy and intelligence rapidly won him recognition, and in 1924 he was hired by the British-owned American Viscose Corporation as its Southern sales manager. Eventually he opened a sales office in Charlotte, N. C., the first such office in the South.

In this job Rose sold rayon yarn by devising methods that enabled mills to use it. He had to prove that it was economical, develop the new manufacturing technology involved, and work closely with textile machine manufacturers. In 1932 he was brought back to New York to continue this exciting work in a more general sales capacity.

Four years later Rose was made manager of rayon staple sales. It was a challenge to carry an idea through from inception to fulfillment. The job involved research and development, technological problems of manufacturing, testing fabrics, merchandising, advertising, and then following up on customer acceptance through cleaners, launderers and dyers. He built rayon staple sales from zero in 1935 to more than ninety million pounds in 1942, a record of which he is quietly proud.

From 1942 on, Rose's career was a series of leaps until he reached the top. In that year he was made coordinator of research and planning for American Viscose. After World War II he originated the merger of American Viscose (which had been sold to Americans in 1941 as reverse lend-lease) with Sylvania Industrial Corporation. The two dovetail perfectly, since one company uses viscose to make rayon and the other uses it to make cellophane.

In 1946 he became general assistant to the president and went off to Japan on a government textile mission. (Another book resulted from that trip.) Then followed two more trips to Japan having to do with the manufacture of acetate fiber. Last year he moved from American Viscose to the Linen Thread Company, an international textile concern, as president.

Notwithstanding this full life, Rose found time for serious extra-curricular activities in economics, research, and education—all involving textiles. He even became a trustee of the Philadelphia Museum of Art—because "textiles are a form of art." And, of course, he became an active protagonist of tariffs; he was elected president of the American Tariff League for the first time in 1945.

The story of this active and admirable individual provides a good insight into the nature of the protectionist animal. For Rose, textiles have come to satisfy most of the appetites of the whole man. To permit the diminution or possible withering of this industry through foreign competition would, for him, be heresy.

Protectionism is so vital a part of his nature that he can even treat the subject lightly. "I was born the day McKinley was elected President," he recalls with a smile, "and I've really been steeped in tariffs ever since."

Index for World

	FREEDOM TO MANAGE	DEGREE OF TAXATION	TRANSFER-ABILITY	PROPERTY SECURITY
	OWNERSHIP LIMITS POWER TO HIRE BUSINESS CONTROLS IMPORT-EXPORT LAWS	TAX RATES ADMINISTRATION DUTIES EXCHANGE RATES	INTEREST DIVIDENDS PROFITS CAPITAL	NATIONALIZATION EXPROPRIATION CIVIL VIOLENCE COMPENSATION
	Weight	Weight	Weight	Weight
	22	16	9	3
CANADA	20	10	9	3
ARGENTINA	12	6	4	2
JAPAN	16	7	6	3
WEST GERMANY	18	6	4	3
UNITED STATES	18	7	9	3

WITH the Index for World Investment potential investors can choose, quickly and accurately, the country which best suits their business, and then proceed toward more detailed analysis. Factors on the left-hand page concern possible political drawbacks that every businessman should investigate: Can I operate the way I do at home? How will I be taxed? Can I remit profits in my own currency? Will my property be safe? These factors are given a total

Investment

INDUSTRIAL FACILITIES	PRESENT MARKET	OPERATING PROFIT	MARKET FUTURE	WORLD Chart
SKILLED LABOR TRANSPORTATION POWER & MATERIALS OTHER FACILITIES	PER CAPITA INCOME LITERACY HEALTH PRODUCTIVITY	RETURN ON SALES LABOR COSTS COST OF MONEY MATERIAL COSTS	DIVERSIFICATION STABILITY DEVELOPMENT GROWTH POTENTIAL	TOTAL WEIGHT
Weight	Weight	Weight	Weight	
7	19	19	5	100 — NATURAL FIELDS FOR INVESTMENT
7	16	15	5	85 — *Extractive industries, food processing, household goods and appliances, electrical machinery, construction equipment, automotive supplies.*
4	12	10	3	53 — *Agricultural machinery and equipment, household appliances and other related goods, chemicals, food processing and retailing.*
5	10	13	2	62 — *Industrial machinery and chemicals, fertilizers and antibiotics, petroleum processing, pharmaceuticals, office machinery and equipment.*
7	14	15	4	71 — *Construction equipment, electro-magnetic products, household goods and appliances, food processing, chemicals and related products.*
7	17	16	5	82 — *Chemicals, plastics and related products, airplanes and aviation equipment, construction machinery and equipment, atomic energy.*

weight of fifty. Balancing them, on the right-hand page, are factors that measure the economic attractions for his investment capital, also given a weight of fifty. Because every businessman has his own particular investment requirements, the individual factor scores accorded each country are far more significant than its total weight.

Address inquiries to WORLD, 319 East 44th Street, New York 17, New York. (©World Events Magazine, Inc., 1954.)

Why The Weeks Formula Won't Work

By Sumner H. Slichter

Lamont University Professor, Harvard University

SPEAKING at the Fortieth National Foreign Trade Convention last November, Secretary of Commerce Sinclair Weeks proposed a tariff based on differences in the labor costs of production in the United States and abroad. He was willing, he declared, to have American industry face competition anywhere with respect to all the ingredients that go into a product except the labor factor. Consequently, Mr. Weeks proposed that some guide be worked out that would base tariff levels on differences between domestic and foreign wages that are not offset by differences in productivity.

Similar proposals have been made by groups of industrialists. The National Association of Wool Manufacturers has proposed to the Randall Commission on Foreign Economic Policy that one of the objects of the tariff should be to close the gap between the comparatively high wages paid in American mills and the low foreign wages.

Mr. Weeks's proposal sounds reasonable, but its widespread adoption would harm more American workers than it would help. Wages, of course, are far lower in other countries than in the United States. Even in Britain, which is one of the world's high wage countries, the average wage is around 152 shillings a week—a little more than $21. The average US weekly wage in manufacturing is about $71, and about $55 in retailing.

The reason most other countries pay lower wages than does the United States is that their labor productivity is so much lower than it is here. Their relatively low productivity is indicated by the fact that slightly less than 7 per cent of the world's population residing in the United States produces about 40 per cent of the world's goods.

THIS means that output per man year in the United States averages about nine times as much as in the rest of the world. Output per man*hour* here also probably averages nine times as much as in the rest of the world. The work week in most other countries is much longer than it is in the US, but unemployment is also greater, so the number of hours put in per year by the average worker is probably about as high in the United States as it is elsewhere.

Although in most fields of manufacturing the superior productivity of American industry (plus, in some instances, our tariff) enables American manufacturers to meet the competition of cheap foreign labor, there are a number of fields in which foreign productivity is as great, or almost as great, as ours. When the foreign manufacturer gets nearly as much output per man-hour as his American competitor and pays one-fourth or one-third as much for labor, he becomes a formidable competitor—despite his distance from the US market. Since the high productivity of American industry is largely a result of its lavish use of machinery and power, the products which foreign manufacturers can make more cheaply are those requiring more handwork.

Philip D. Reed of the General Electric Company told reporters recently that his organization could meet the competition of cheap foreign labor in the field of home appliances and other mass-produced consumer goods, but that in the field of heavy apparatus, such as turbines and generators, which require much careful handwork, foreigners can undersell us. General Electric recently lost to a British competitor a contract to provide a waterwheel generator worth between $3 million and $4 million for a dam on the Columbia River.

Nevertheless, it would injure American manufacturers and American factory workers if Mr. Weeks's proposal were adopted. Obviously foreigners must sell us some of their products if they are to be able to buy from us.

What sort of goods can they sell us? Either things which we do not produce at all—for example, such tropical products as coffee, tea and cocoa—or things which they can make cheaper or better than we can. In other words, for us to be able to sell abroad the goods that we are best able to make, foreigners must be able to sell us the goods that *they* are best able to make. Secretary Weeks's proposal would hurt our exports by preventing foreigners from selling us the things that they can make cheaper or better than we can.

ONE way to test the merits of Secretary Weeks's proposal is to imagine its application by foreign countries against goods from the United States. Foreign manufacturers might demand protection against the low labor costs of American industry made possible by high productivity. If the tariffs of Britain, France, Germany, Sweden, Japan, Italy and other countries were raised to protect them against the low labor costs of American manufacturers, our large exports of finished manufactured goods would disappear. And yet if Mr. Weeks's proposal is sound, it should be sound when applied by Great Britain, the Netherlands, Pakistan or Japan against the United States.

Trader's Nightmare: HONG KONG

Where jungle law rules business

By Ron G. Whitehead

HONG KONG

So you'd like to do business in Hong Kong! If you succumb to this desire, watch out.

In this tiny British Crown Colony, clinging like a leech to the China coast, three million humans fight a losing battle for a living. Only the smart survive and only the super-smart remain solvent.

A long time ago the understaffed Commercial Crime branch of the local para-military police force abandoned its efforts to cope with the phony enterprises and commercial crooks washed up by the receding tide of the Chinese civil war. Business victims are told to take all but the most flagrant cases to court, so in Hong Kong the buyer bewares. And often the seller had better beware too.

These facts don't jibe with the ideas people overseas have about doing business here. Most of them think of Hong Kong as a dream city where importers meet a fat and friendly Commissar carrying a satchelful of orders from Peking and loaded with Moscow dollars. It's only a dream; the Chinese Reds don't work that way.

Their powerful state trading agencies use old-established native firms—and even some foreign ones—to handle their business. The reason is twofold: the Communists know they have no control over the small, fly-by-night trader but have a good, solid hold over the reputable firms, which also serve as convenient "fronts" for their barter trade.

An independent importer—if he wants part of the new China trade—must spend a lot of time and money getting in with these established companies. He must do much more than meet them; he has to win their confidence before he can even think of doing business. When this expensive feat has been accomplished, the importer still has plenty to do. Chinese—Red or otherwise—don't like to sign a contract that leaves anything to chance. They refuse to have the price and quality of the merchandise subject to change once a contract is signed—difficult conditions for an importer to meet in the Far East.

The Communists insist that the contracts be written in their favor; if a particular clause will benefit the importer, they demand its elimination. Then they usually want a two-way barter deal. This means the worry and expense of two separate transactions, one of which will probably mean a loss to the importer and the other only a moderate profit. This sort of barter arrangement is doubly difficult for a foreigner, since as a rule he is not equipped to handle the native produce that Chinese offer as their part of the deal. He is likely to end up with eggs, tea, tung oil, sesame seed, dried beans or pine resin. These he must turn over to some Chinese organization to sell for him—and he'll be soaked, since his broker knows he is stuck with them.

Further, his Communist trading partner is afraid to conclude any deal that will give a Westerner a profit; his chiefs in Peking might get the idea that the comrade is feathering his own nest through kickbacks at the expense of the People's Republic. But despite these drawbacks, if the foreigner is preternaturally shrewd

Trader's Nightmare: Where both buyer (and seller) beware

he can stand on the street corner and still make money peddling a remodeled bit of buffalo horn as "real rhino" (the Chinese equivalent of monkey glands)—worth its weight in gold to aging Chinese.

If, by dint of great effort and unparalleled skulduggery, the foreigner should make enough money to rent an imposing city office, the brass name plate on the door will read "Import-Export" and he can still entertain a northern refugee in the nearby Portuguese colony of Macao. After weeks of haggling, a trip to this seductive place for a bit of wine, women and song often leads to the signing of a contract. Only months later, when the goods contracted for fail to arrive, does the trusting victim learn from expensive lawyers that the Hong Kong courts have no jurisdiction over agreements made outside the Crown Colony. The deal—Macao trip and all—has to be charged up to experience. The rich tyro may have lost his money but he's beginning to learn how to do business in Hong Kong the hard way—the only way it can be done. He'll be warier later on when he aspires to bigger things, like dealing directly with Mao's representatives.

It will also help him in his transactions with the four main classes of local businessmen, which include: (1) foreigners, meaning Americans, British and all other Europeans; (2) Chinese—the local-born, the Cantonese, and the northern refugees; (3) the Macanese, either born in the Portuguese colony or descended from immigrants; (4) Indians from the subcontinent, and a small but financially powerful Jewish group.

A handful of British businessmen control all public utilities and what few major industrial firms the Colony boasts, as well as banking houses, real estate, hotels, and shipping firms. This group exerts enormous influence on the colonial government's policy of "benevolent autocracy."

Many of the smaller European and European-style firms fight for the crumbs from the rich tables and avidly seek an opportunity of becoming major commercial figures. Operating mostly as import-export firms with offices in the "Western" section of the city, they range from one-man outfits up to fairly large organizations; some of them actually do manage to break into the big time.

The accommodating commissar is a dream

In the Chinese section, oriental counterparts of these Europeans swarm all over the place—especially along the seawall of Hong Kong's island city, the Praya. Here a vast tangle of oceangoing junks and lighters, under hundreds of different house flags, load and unload cargoes from the world's great ports.

A long row of four-story, narrow tenements, with shopfronts beneath, extends thousands of yards along the waterfront. The buildings are so dilapidated they seem to be holding each other up; none is more than fifteen feet wide—the width of the Chinese fir poles used in Hong Kong construction before anybody thought of ferro-concrete.

The ground floor is usually a "shipping company" and the other floors are literally a warren of import-export firms and associated businesses. There are probably more smugglers per square foot in these few yards of real estate than anywhere else on earth. Outside, the quay is crawling with informers and Revenue men eager to earn the percentage rewards paid for tipping off Colony police to illegal transactions.

Once, the shops below used to sell supplies—ropes, pulleys and anchors—to the junk fleet. Some still display a few such items, along with the expensive movie projectors, material cutters, precision instruments, surgical kits and Zeiss microscopes which have become a necessity to the modern junk master trading between Hong Kong and Red China. The British rulers have little trouble politically with this mass of humanity. Everyone is too busy filling his rice bowl—or trying to.

The 45,000 Macanese play an important part in the commercial life of the city. Their long struggle for survival has so sharpened their wits that they react like lightning to the possibility of a fast dollar. They are fantastically loyal to the British because they know that if the British leave, they will have to start packing too.

Skilled in both Western and Eastern psychology, they keep the wheels of trade turning as office staffs

One scheme involved piping oil under sand and water to a "cleared" junk

and middlemen. They make the best brokers, because they know the tricks of the "educated" Hong Kong Chinese—and it is no accident that Hong Kong (literally "Isle of Fragrant Streams") is now cynically called the "Isle of Flagrant Schemes."

How does a businessman make out among these millions seeking his financial sk[illegible]

Almost a "must" for final survival is at least one good agency (sole right to sell) for some well-known brand. To buy this item, less fortunate local men will wear out the steps leading to his office—be it even a dirty $50-a-month attic on top of an elevatorless building.

But if he hopes to do real business and move ahead to better things, he needs brokers. These come in all shapes, sizes and colors, and range in capabilities from human wrecks to first-class salesmen. They have certain talents in common: they speak both English and Cantonese, and need money badly.

Higher-class brokers keep to a particular field, improving their connections. They are completely trustworthy—up to the point where it pays them to double-cross their principals, and they are paid on results. The tyro who pays their expenses and salary immediately gets the unenviable reputation of being a sucker; he won't conclude any business deals because his brokers will mess them all up by trying to chisel him even further.

Teahouses swarm with brokers. So do the best hotel and restaurant coffee lounges. The tables are their "offices," from which they come and go, busily comparing notes on what items are in demand.

One European from Shanghai set himself up as a broker at a public telegraph desk in the local cable office; he even had the number of its free telephone printed on his business cards. He kept regular office hours and flabbergasted the company's staff by asking them to inform callers at lunch time when he would be back! Deservedly, he prospered and wound up eventually in considerably more attractive—and private—surroundings.

The man who picks a stupid broker lives to realize his mistake. One importer with a nice line of computers (much in demand for the Five Year Plan, which apparently calls for a lot of calculating) tried to arrange for the sale of his newly arrived consignment to an indiscreet broker. By the time this talkative contact had finished passing the word around, any buyers the importer might have obtained firmly believed the market was flooded with computers, as wave after wave of brokers came to them with offerings. They refused to touch the consignment—even at cost. A good broker must move among his own contacts without fanfare. Incidentally, the Chinese Reds, well aware of the Hong Kong dealers' psychopathic horror of a glut, use their own "brokers" to spread rumors and keep prices down when they really want to buy.

Also anathema to the importer is the well-organized, tightly linked buyers' ring of Cantonese traders. A while back, during a time of scarcity, a happy merchant flew in a big consignment of gold optical frames on which he expected to get a good return. But three months later he was forced to sell them for about one-third of their landed cost.

Why? Because he had only one market. As soon as his first broker went into action, the opticians knew all about him and his consignment; they pooled their knowledge and just waited him out. Later, he had the educational experience of seeing his goods sold in the shops of ring members at double his import price and six times what he was paid for them.

Occasionally traders who have wide connections overseas can arrange delivery from some European port direct to one of Red China's ports, with payments made through a foreign bank, and rake in a good profit. But mostly they are content to stick to local business and non-strategic straight deals with the mainland, hoping for the better times that peace would bring.

Chinese firms, on the other hand, to which the terms "import-export" and "smuggling" have been synonymous for more than a century, take care of the illegal side of Peking's needs. Individually small, their joint operations are huge, since Hong Kong's junk fleet handles hundreds of thousands of tons of imports and exports annually.

Revenue officers, enforcing the UN war materiel embargo, found an innocent-looking truckload of gasoline standing on a coastal road. Some fifty yards offshore a junk lay moored to a buoy. But a search revealed that between truck and junk, buried beneath the roadside sand and beach and stretching out to the buoy, was a long length of rubber hose through which gasoline was flowing by its own gravity into the craft, which had already been cleared for departure.

Every Chinese seagoing junk has built-in secret compartments designed to foil pirates who themselves were born on junks and know where to look for such things, but making it tough for a Revenue man to find sparkplugs or spare parts hidden in these cavities.

Because legal action is so difficult in Hong Kong, ordinary import contracts here normally call for from 30 to 100 per cent deposits. Reluctant Chinese buyers who've changed their minds about taking up a cargo on which the price was dropped can be hard to find, for even highly respected Chinese operate as many as a dozen businesses under innumerable aliases.

There used to be an unwritten law that worked the other way—an *importer* who didn't deliver paid the *buyer* double his deposit to back out of a contract. This was just after the war when unscrupulous importers sometimes found it more profitable to sell commissioned cargoes for their own account and either refund clients' deposits or delay filling their orders.

But Hong Kong's congested courts are a headache to the businessman and he tries to avoid legal actions. The Chinese tell of a wet nurse who sued a Hong Kong Chinese merchant for the milk she supplied his baby. Before the case came to trial the former infant was managing director of the firm!

Shipping goods to Red China presents few physical difficulties—once export licenses have been approved by the government. Daily freight trains leave Kowloon, at the tip of the British-owned mainland peninsula, for Canton, Shanghai and Peking. Regular coastal ships carry cargoes to Communist China's cities. But the British shipper usually wants cash on the barrelhead or a bank guarantee before the goods leave his control—and he wants a stiff deposit to bring goods here from overseas.

Chinese traders sometimes take a chance on their countrymen—and live to regret it. Hong Kong's drug dealers wrote contracts equal to $40 million with the Reds in such pharmaceuticals as antibiotics, sulfa drugs, and chemicals during the first half of 1953.

The goods were shipped over the border against loans of up to 80 per cent of their value made through Red-controlled Hong Kong banks to the sellers. The Communists said that as soon as Peking's "experts" had approved samples, payment would be made in full through these banks. Then, the Peking authorities suddenly shot back huge quantities saying they hadn't come up to Soviet pharmaceutical specifications. The merchants' vision of fantastic profits faded. They found themselves still legally liable for the loans—with the banks holding the returned cargo.

Finally, in redeeming the medicines, they glutted the local market and were glad to sell out at a fraction of the hoped-for price in order to cut their losses. Whereupon the wily Reds quietly bought up the low-priced dumped goods again for their own account and cheerfully shipped them out at their leisure. Western capitalist and "White" Chinese both have a rough time at the hands of Mao Tse-tung's astute traders.

While big foreign banking houses supply cheap money to the established foreign firms (at around 6 per cent), the smaller merchants and Chinese companies look mostly to native banks for their credit. These banks borrow the money cheaply and lend it to their own approved customers for around 15 per cent per annum, which is considered a reasonable rate.

UNLIKE their overseas counterparts, Chinese bankers are usually wealthy men—the shareholders like it that way; it's supposed to keep them honest. Even so, some banks crash resoundingly because managers play around with outside business and pay exorbitant interest out of capital to attract more small depositors in order to get still more funds with which to operate.

One foreign firm recently struck this hazard. It accepted a big Red order for a mill to be shipped from the UK. The Red buyers sent down a perfectly good payment to the native bank which had arranged the deal and the bank in turn gave the British firm its cashier's check for the amount—postdated for the date of the first shipment's arrival in Hong Kong. It arrived in due course, but when the firm tried to cash its bank check, the bank proved insolvent and the manager had skipped to Formosa. Rather than incur Peking's ill will and thus spoil future business, the British firm took the loss and pretended to like it.

When an experienced foreign firm of some standing can get caught like that, small wonder the little man spends sleepless nights worrying about the perils of doing business in Hong Kong. After a few whiskies in a local bar, he may offer to sell out his share of Britain's "blood-trade with Red China" to Senators McCarthy and Knowland, cheap, only he feels they might not take it as a gift after Senate committee accountants had thoroughly examined his books—and had checked his annual aspirin bill.

Wooing tired businessmen is part of the game

Grass Roots Mississippi Fights Off Recession

OXFORD, MISS.

ONE out of every three farm acres in the South raises crops which are sold abroad. That is why a reduction in agricultural exports—such as the $1 billion drop that took place in 1953—means a lean year for the whole area.

To drive home to Southern farmers the connection between foreign trade and their own prosperity, the University of Mississippi sponsored a grass-roots meeting—the Mid-South First World Trade Institute—arranged by D. C. Trexler, director of the University's Department of Conferences and Institutes.

The conference, held last fall at Oxford, Miss., was backed by some thirty representatives of Mid-South organizations as a good way to focus attention on the threat to the regional economy posed by an "export" depression. Businessmen, farmers, educators and newspapermen from an area comprising six Southern states pitched into discussions on a wide range of problems.

Specifically, the questions posed by the Institute were:

1. What is causing Southern exports to dwindle, and how can this be prevented?

2. In view of the South's increasing industrial potential, what would be the soundest economic policy for the region?

3. How can the Southerner be shown the direct relation between his economic security and the ebb and flow of foreign trade?

The conference—which is likely to become an annual affair—was divided into eight sessions. Each session was addressed by an outstanding leader in world trade. Among the speakers were Allan B. Kline, president of the American Farm Bureau Federation, who discussed world trade and agriculture; Samuel W. Anderson, Assistant Secretary of Commerce, whose subject was international trade in relation to commerce; J. Peter Grace, Jr., president of W. R. Grace & Co., N. Y., who described US business' stake in world trade; and Representative Jere Cooper (D., Tenn.), a member of the Randall Commission on Foreign Economic Policy. After each speech the more than two hundred participants joined in panel discussions of the South's trade problems.

WHAT did Trexler, the conference's guiding light, think such discussions should, or could, accomplish in the Mid-South?

"We must begin by reminding ourselves that Congress makes the laws," Trexler explained a few days after the conference ended.

"The concrete policy under which our trade develops is laid down by Congress and is implemented by our executive departments. The Mid-South Trade Institute simply added another voice to the movement for liberalized trade policies," Trexler said. He continued: "By a resolution of those attending the conference, the proceedings were sent to each member of Congress as a grass-roots statement supported by a regional group. The direct effect may be considerable. The results of the institute constituted, basically, "a declaration of our faith in competition in a free enterprise economy."

Trexler believes that competition is an absolute and "has no degrees—it is not to be cut off at our borders. If a firm in Louisiana makes a better product cheaper, I am sure we will buy from it, and if the firm making that product is in Brazil, we will buy there."

In Trexler's view, if we don't buy the lower-priced Brazilian product, we fail to practice what we preach about free competition. "This is particularly true for a creditor nation such as ours. If we continue to export chiefly through gifts or loans that can't be paid back, we simply give away our wealth. If we set up high tariffs, exchange controls, quotas, punitive sanitary regulations and the rest, we make impossible the benefits of free competition which have worked so well in our own country."

To Trexler, it's not an involved problem. He puts it this way: "If we don't buy, we can't sell; the most elementary look at the mechanics of our international banking makes this a truism. The Reciprocal Trade Agreements simply give constructive voice to this fact."

The conference decided that one solution for solving trade difficulties was to adopt, not a free trade policy, but a "freer trade" program. Trexler believes it is wiser to try to get a greater measure of free trade now than to plug for an all-out free trade program in the future: half a loaf is better than none. "Such a policy, as an immediate thing, would mean more money in the pockets of the average man in the South—and the rest of the US," he says.

As an example, Trexler cites the Superior Coach Company of Kosciusko, Miss. "It's the foremost industry in that community. Nine per cent of all American trucks and tractors are sold abroad. If imports increase, so will this figure."

IF TRUCK exports increase, Trexler believes that free trade adherents are sure to gain support from the local workers who will be benefited. "Other work can be done in the same field by our university," he says. "We can emphasize these problems in our study programs. We can hold conferences on specific trade problems. We can provide better men — trained men — for service in our overseas trade.

"But, in a real sense, the burden rests on all of us. Our understanding of these problems, and our recommendations to our lawmakers, will spell success in attacking what is perhaps the South's greatest single task."

To some, it may seem remarkable that such an enlightened approach to an infinitely complex situation should come from Mississippi—a state that is often called backward. It appears, however, that Mississippians are anything but backward in the matter of foreign economic policy. In fact, judging from the Mid-South Conference, they are exhibiting an intelligent awareness of their problems and are tackling them in the way that has the best chance of success—by appealing to the South's self-interest.

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COMMODITY TRADE AND ECONOMIC DEVELOPMENT *(UN Sales Number: 1954, II. B. 1; 75 cents*).*

Business executives who are seriously interested in both long and short term planning should study this UN Secretariat booklet. While keyed, as are most UN economic surveys, to the desire of underdeveloped countries for economic growth and stability, it trenchantly describes the impact of price fluctuations in international commodities on American and other industrial producers. It questions the cost benefits to manufacturers of sudden drops in raw materials prices, explores the loss of foreign markets after such drops, and illuminates many other aspects of the situation that strike directly at the businessman's pocketbook.

The booklet reviews the problems—for example, the difficulty of switching from export to domestic production—created for both producers and consumers of international commodities by violent price fluctuations, and suggests a way to prevent these sudden shifts. Its five authors—all experts—advocate the use of a composite commodity stockpile to back up a currency of worldwide acceptibility. Thus not only could international commodity prices be stabilized, but also the prices of goods made from, or dependent on, those commodities. This is a proposal businessmen would do well to ponder.

DIRECTION OF INTERNATIONAL TRADE—ANNUAL ISSUE *(UN Statistical Papers, Series T; Vol. IV, No. ½; 50 cents a copy, $5.00 per year*).*

A joint publication of the UN, the International Bank, and the International Monetary Fund, this document presents annual data for the years 1937-38 and 1948-52, together with special summaries of trade by geographical or monetary areas. It replaces the January and February monthly issues of the Direction of International Trade.

Each table shows the value in US dollars of a country's exports and imports. Estimated totals are given where a government failed to report, making it possible to include figures on the trade of Eastern Europe and China with the rest of the world.

The changes that have taken place in the direction of trade since the end of the prewar era can be clearly seen. The main point is that, while the importance of US trade increased enormously during 1948-52 compared with 1937-38, it was a dominant element in world economics even in that earlier period. The volume of prewar US trade indicates that the present influence of US commercial policy is not merely the result of today's abnormal world conditions.

ANNUAL SUMMARY OF FOREIGN EXCHANGE RESTRICTIONS *(Guaranty Trust Company of New York, 140 Broadway, New York).*

This extremely valuable little handbook gives the value of foreign currencies in relation to the dollar, discusses government restrictions, and lists methods of paying bills or receiving payment. The Summary (one issue of the Guaranty's Monthly Bulletin for Exporters and Importers) deals with 114 nations, territories and protectorates.

MONTHLY BULLETIN OF STATISTICS *(UN Publication, Vol. VII. Number 11, November, 1953; $1 per copy; $10 per year).*

In addition to providing general indices of world trade prices, the Bulletin has a special section on worldwide developments in electricity. This shows that from 1937 to 1952 net additions to the generating facilities of public and industrial power stations brought a net gain of almost 100 per cent to the world's installed capacity. While North America accounted for the largest absolute increase, Africa had a more rapid growth on a percentage basis, although, of course, fewer plants were installed. In Europe and Asia, however, expansion was considerably retarded by wartime destruction and damage.

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*A *United Nations publication. Address: International Documents Service, Columbia University Press, 2960 Broadway, New York 27.*

World Correspondents Cable:

Business Ahead

MEXICO CITY — This country produces more sugar than it needs for domestic consumption, and its government is seeking means of turning the surplus into a wide variety of goods that can be sold abroad.

The list of industries that the Mexicans would like to see established here includes medical products, explosives, de-leafing agents, denatured alcohol and industrial glues. In order to attract foreign firms into these fields, the government will probably grant tax relief and help companies to set up plants.

LONDON — The gold boom on the stockmarkets here and in Johannesburg this winter shows every sign of continuing, because investors are beginning to realize what uranium will mean to the South African gold-mining industry. A new uranium plant—the third in South Africa—will be set up this year at a cost of $18.2 million. This figure is greater than the cost of the first two plants ($4.5 million and $10.9 million) and indicates that extracting uranium is a very profitable operation.

HELSINKI — A back-door increase in trade between the Soviet bloc and Western Europe has been proposed by Finland. The idea is to set up a three-way pattern: Western European nations shipping goods to Helsinki, for which they would take payment in Soviet products, which would be bought by the Finns with their surplus rubles. Western Europeans would like to re-establish their prewar markets in Finland and are currently considering the proposal. Because Finland is not officially a member of the Soviet bloc, they hope the ban on the shipment of goods under the American Battle Act will not apply.

SEOUL — If your business is dependent on early orders from Korean relief funds you'd better revise your plans. The Foreign Operations Administration —which has earmarked $200 million for Korean rehabilitation—has approved procurements of only $31 million and is going slow on the rest.

The UN Korean Relief and Reconstruction Agency is in no rush to do any buying either. The snag seems to be that the Koreans want to spend a good part of the available funds to meet the country's immediate emergency needs while US officials believe that the money should be used to strengthen the economy on a long-range basis. For US businessmen, the wrangle means that the anticipated orders will be delayed if not eliminated.

LIMA — Sale of US products to Peru will probably be cut as the result of her effort to slash dollar purchases. European agents are currently meeting favorable reaction here when they offer to sell electrical appliances, toys, automobiles, radios and foods. In addition to being willing to take payment in "soft" currencies, Europeans (particularly Germans) are giving easier terms and quoting lower prices than are most American firms.

OTTAWA — Canadian aviation experts believe that the US will supply NATO with the wrong plane to defend Western Europe because the right plane, the CF-100, is an all-Canadian product. The US competitor for the job is the Northrop F-89, but the CF-100, say these authorities, has 25 per cent more power, 33 1/3 per cent greater range, "substantially" more fire power, and can climb to 45,000 feet one minute faster than the F-89. Despite these facts, say the experts, US officials will probably insist on the American plane because of national pride, politics, and aviation industry pressure. These Canadians feel that the final American decision may spell the difference between survival and defeat.

ZURICH — Two private organizations have started operations in Europe to help US businessmen improve their contacts. One is headed by no less a figure than Walter Bedell Smith. This group tries to step up the process of making contacts and concluding contracts between American industries and their European counterparts.

The second office is backed by an advisory council drawn from small American industrial groups. It is trying to make European industrialists see the advantages of the US industrial policy of low profits and high turnover. Previous attempts along these lines have failed, but they've been on a government-to-government basis and the hope now is that a business-to-business level will be more favorably received. So far this advisory council has been urging its views on businessmen in Italy, Germany and Belgium, and has met with some success.

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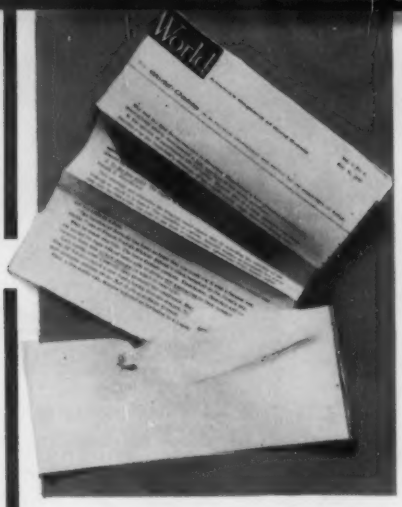

WORLD - CABLE is compiled from confidential last-minute cables from these correspondents:

from India: Frank Moraes, editor of the *Times of India*, the country's leading English-language daily.

from Yugoslavia: Eric Bourne, veteran British correspondent, formerly German bureau chief for Reuters.

from France: George W. Herald, former INS correspondent, now with Overseas News Service.

from Japan: Sydell Magelaner, prominent free-lance writer and lecturer on Far Eastern affairs.

from Egypt: Kumud C. Khanna, former *New York Times* special correspondent, now Near East correspondent for the *Times of India*.

from West Germany: Emlyn Williams, *Christian Science Monitor* correspondent in Bonn.

from England: Cecil F. Melville, chief diplomatic correspondent of the *Evening News* and the *Sunday Dispatch* of London.

from Hong Kong: Ron G. Whitehead, editor of the *South China Morning Post*.

from the world at large: Leo Lania, well-known writer and lecturer, on roving assignment for WORLD.

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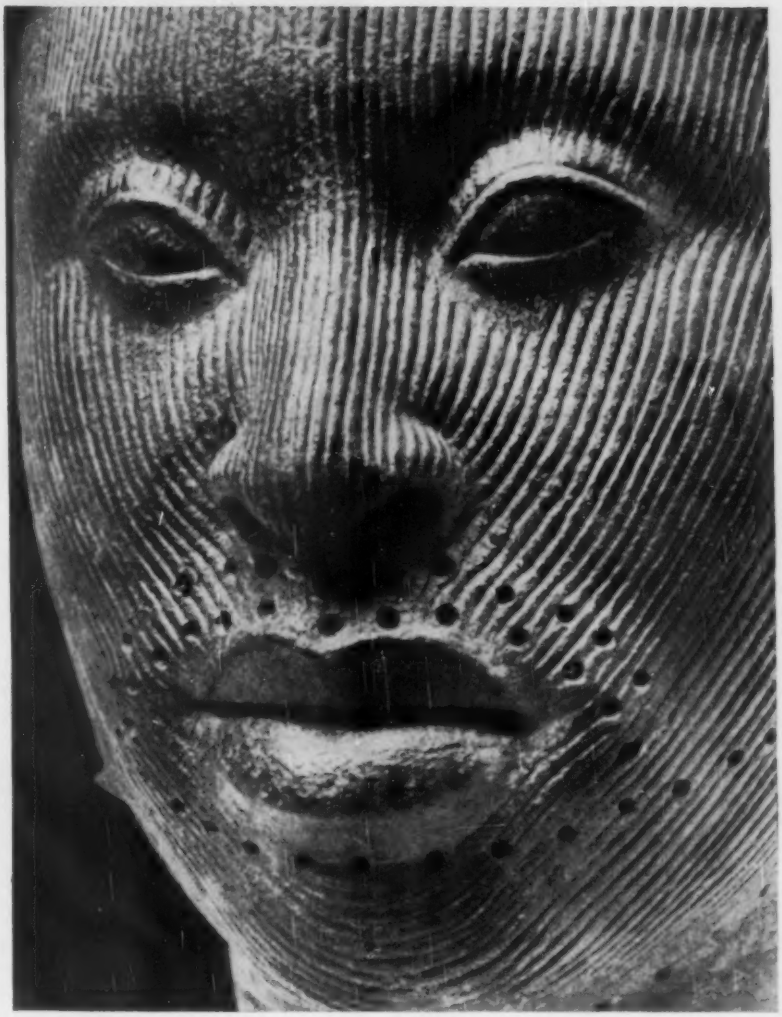
Art is the Dawn

THE VOICES OF SILENCE, *by André Malraux. Translated by Stuart Gilbert. Doubleday; 662 pp., $25.*

ANDRE MALRAUX AND THE TRAGIC IMAGINATION, *by W. M. Frohock. Stanford University Press; 175 pp., $4.*

MALRAUX PAR LUI-MEME. *Images et textes presentés par Gaëtan Picon. Paris: Editions du Seuil; 190 pp., $1.25.*

Reviewed by
Henri Peyre



IFE (Nigeria): Bronze Head, from The Voices of Silence

ANDRE MALRAUX is one of the very few men alive today in Europe (perhaps the only others are Picasso and the octogenarian Claudel) who can be called a genius. His prestige with the younger generation of France is second to none: neither Sartre nor Camus, who owe much to him, has been able to displace him as "the Prince of Youth." Everyone who has heard him speak testifies to the extraordinary impact of his dazzling, feverish eloquence. His least impressionable contemporaries, from André Gide to Edmund Wilson, have hailed the brilliance and profundity of his thinking.

The fascination he exercises comes in no small measure from his having combined the life of a man of action, challenging destiny in war and revolution, with that of a novelist and philosopher of art. Like T. E. Lawrence, whom he portrayed in a manuscript destroyed by the Germans, like his contemporary Antoine de Saint-Exupéry, like Ernst Jünger and Ernst von Solomon, who have emerged as great influences over the new Germany, Malraux is an adventurer.

His name is wreathed in legends which he does nothing to dispel. W. M. Frohock, in the latest and by far the best study of Malraux in any language, discreetly separates the facts from the myth (tacitly encouraged by Malraux) which ascribes to him all the experiences—except murder and death—of his fictional heroes. Enough remains to make his tragic career as rich as that of any man of letters since Byron.

Trained in art and archaeology, Malraux early fled from the West and the stuffy atmosphere of French novels of ambition, from a life occupied by the possession of earthly goods and other men's wives. A new Alexander, he set out to conquer vast domains in Asia. He helped organize revolts in Indo-China and China, fought side by side with Communists, although he never became one and was more warmly praised by the Trotskyites than by the Stalinists.

Next, he wrote two superb novels, *The Conquerors* and *Man's Fate*. More concerned with man's metaphysical struggle against death and destiny than with revolutionary aims, they were soon translated into a score of languages. After other adventures, he played a major part as a flyer in the Spanish Civil War, out of which sprang a film and a book, *Man's Hope*, which he considers his best. Frohock's analysis of the technique and imaginative import of these novels is admirable.

A wit who had flirted with advanced ideas in his youth and become a staid ambassador in middle age, explained his evolution thus: "He who is not a radical at twenty has no heart; he who does not become a conservative at fifty has no head." Malraux lacks neither organ. The Spanish Civil War, in which the apocalypse—as he called a

revolution ushered in with messianic zeal—resisted organization and hence foundered lamentably, brought him to patriotic and nationalist fervor. In 1940 he fought in a French tank corps, was captured by the Germans and escaped; he fought again, under an assumed name, in the underground, taking fabulous risks and making hair-raising escapes. When the war ended, he was a colonel in the regular army and the right-hand man of De Gaulle.

Politics—"the tragedy of our time," as Napoleon defined it in a sentence dear to Malraux—tempted him for a while. He became Minister of Information in a short-lived Cabinet and was hailed in political rallies of the French Right as the most fervent champion of anti-communism. But Malraux is not of the stuff of which demagogic dictators are made. He has continued to meditate on literature, on the technique of fiction and on the Pascalian message of French letters. But his main achievement since the war is his revision and new formulation of man's ideas on art.

André Malraux

The Voices of Silence has been bought by more people in Europe than ever before purchased a study of art. It has won acclaim even from professional critics and art historians, groups whom Malraux, a foe of both the historical approach and the verbose abstractions of esthetics, might well antagonize. The book is bulky and difficult to read, for Malraux is often imperiously elliptical. It embraces all ages and styles over the last 3000 years, from Negro and Melanesian masks to Chinese paintings, from Cambodian temples to the Renaissance.

This wealth of ideas is bewildering; the vaunted French clarity is sometimes conspicuously absent, replaced by excited contemplation of dizzying mysteries. Yet the book's total impact is prodigious. It is, as Edmund Wilson said, "one of the really great books of our time," a Bible of art and the meaning of life for modern man. The hundreds of illustrations are reproduced with superb skill and are always directly related to the text; they augment its significance and, like all things of beauty, provide joy and lend wings to the reader's dreams.

The four main divisions of the book exemplify the great advance made by the new one-volume edition over his earlier *Psychology of Art*, published in the Bollingen series. *The Voices of Silence* is more carefully thought out, more harmoniously organized, although Malraux's manner still resembles Nietzsche's: he proceeds by flashes, capturing his intuitions in striking aphorisms.

"Museum Without Walls" is Malraux's first theme, or obsession. The true cathedral of our time, to him, is the museum in which pictures and art objects from all nations and all ages suddenly assume new significance from being placed side by side. Museums were unknown until two centuries ago. They have aroused protests from artists, who regard them as cemeteries or prisons for masterpieces. But today the "Museum Without Walls" enhances and completes their value: it is made up of the photographs which, in recent years, have reproduced with increasing skill the monuments of art. Romanesque frescoes hardly visible on the walls where they were painted, the Sistine Chapel ceiling, details of paintings treasured in private collections, hitherto inaccessible art from Tibet or Afghanistan have suddenly become part and parcel of our lives. Art today is composed of all that photographs have brought within our reach. It is the dawn of a new era in man's taste.

Some may cavil at the reproductions of Toulouse-Lautrec's brothels, Gauguin's syphilitic Tahitians and Van Gogh's tormented faces now hanging on the walls of American college dormitories and in many a sedate Middletown sitting room besides. Yet a fundamental fact of our culture is the prodigious extension of artistic taste, parallel to the extension of musical taste through records, which has made art a truly universal language. Malraux is the first to perceive some of the consequences that are likely to follow the opening of this vast world. The telescoping of masterpieces many centuries and thousands of miles apart readjusts historical perspective. It shows how new works, inserted into the chain of tradition, transfigure all that came before them. Famous paintings of the past are seen to point to the future: Titian to Manet, Vermeer to Cézanne, Michelangelo to Picasso.

In Parts II and III the author no longer considers man's need for art, but explores that most tantalizing of all mysteries: artistic creation. They are entitled: "The Metamorphoses of Apollo" and "The Creative Process." While one of his main purposes is to break the monopoly which the Greek concept of beauty has long exercised over Western minds, and to give the Asiatic arts their full due, Malraux does not underestimate the "Greek miracle."

Some of his most inspired pages are those devoted to Greek art forms, and especially to the discovery of the smile by Hellenic artists: "Wherever the curves of those faintly pouting lips recur, something of Greece is on the verge of breaking into flower—whether in the smiling grace of Rheims or Florence; and whenever man feels himself in harmony with the world, he regains his precarious sway over that limited yet never to be forgotten kingdom which he conquered for the first time on the Acropolis of Delphi." The Greeks first exemplified what Malraux considers the only satisfying answer to the question, "What is art?": "That whereby forms are transmuted into style."

The artist is, to Malraux, the creator of a style. He differs from other men in that he has discovered that he is more powerfully impressed by the world of art than by the world which others perceive. He begins by imitating, not life, but previous works of art. But he soon revolts against his own pastiches as he revolts against the art that preceded him. To pictures already in existence, he opposes paintings which do not yet exist. He imposes a coherent distortion upon real-

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About the Reviewer: *Henri Peyre has been head of the French Department at Yale University since 1939. He is author of numerous books, the most recent of which are* Connaissance de Baudelaire *and* Pensées de Baudelaire.

ity. Toledo, in Spain, is yellowish. El Greco rendered it as green, and everyone has seen it green ever since. The object or the motif is immaterial to an artist. The best subject is that which inspires him with the most violent desire to paint.

But *The Voices of Silence* is more than an inspired book on art or a rejuvenation of the romantic and Nietzschean concept of the artist. More than any other work since World War II, it is an answer to the deep need for new faith and hope in modern man. It creates a rosy vision of a new universal humanism founded on art, which may save the second half of the present century from chaos and despair.

Part IV should be pondered by everyone who has the survival of Western culture at heart. Entitled "The Aftermath of the Absolute," it is, first, an impassioned lament for what our age has irretrievably lost. The artist, as envisioned by Malraux, takes over a world. The Greeks, the painter of the Villeneuve Pietà, Rembrandt—all aimed at annexing a world for a system of beliefs which can be called religion. Whether or not he was a believer, man's whole personal and social life was encompassed by a religious framework.

Then came the seventeenth-century Dutch masters and the break with the past which became total in our modern age. Painting ceased abruptly to be religious, art became divorced from the sacred, apples replaced Madonnas. Only a world "in order and reconciled with God" can again witness the creation of new religious art. But the relative has triumphed over the absolute. Security, which Shakespeare called "mortal's chiefest enemy," is dead and gone. Our agnostic civilization is faced with a noble but formidable task: it must ask questions, voice its insecurity, its rebellion, its anguish. Picasso's "Guernica" has replaced the Crucifix.

But modern man will prove worthy of the challenge. Malraux is no Spengler, wailing over the twilight of the West. He is no Toynbee, doubtful of modern man's ability to respond to demands more crushing than any ever made on past cultures, deprived as he is of the soothing belief that the gods or God stand by him. "I have become a man without the help of the gods" is the proud motto of Malraux's humanist. He will not abdicate a critical spirit or an insecurity which goads his inventive powers. He will challenge destiny, ask more questions and answer many of them constructively. "Art," proclaims Malraux, "is a revolt against man's fate."

Religions in the past have traditionally failed to appreciate each other, but they appreciated the art created by or through another religion. The art contemporary to Alexander and to Caesar has outlived the collapse of their empires; it binds us to past greatness as history can never do. The meeting of East and West may best be attempted today through the art of the two continents, each eager—beneath surface antagonism—to understand the other. A new humanism, embracing the two hemispheres, broadened beyond the cramping Mediterranean fixation, is in the making.

NEW AND NOTEWORTHY

The American Anarchy, *by Lionel Gelber. Schuman; 212 pp., $3.50.*
While uneven in quality, this is one of the best and most provocative recent discussions of America's changing socio-political characteristics and their impact on the rest of the world.

Russia: A History and an Interpretation, *by Michael T. Florinsky. Macmillan; 1,511 pp., $15.*
The most comprehensive and authoritative history in English of Russia from its origins to the advent of communism. Monumental *and* readable.

Flight into Space, *by Jonathan Leonard. Random House; 307 pp., $3.50.*
The facts on space flight, from present-day achievements and theory to the current fantasies about travel to other worlds. An excellent job by *Time's* science editor.

The Secret Diary of Harold L. Ickes: The First Thousand Days, 1933-1936. *Simon & Schuster; 738 pp., $6.*
Even close students of the period will be impressed by the unconventionality of Ickes' revelations, and practically no one will be able to resist the elan of his style.

The Undeclared War: 1940-1941, *by William Langer and S. Everett Gleason. Harpers; 963 pp., $10.*
An altogether admirable study of world events, particularly as they impinged on America, from September 1940 to Pearl Harbor. Together with its companion volume, *The Challenge to Isolation,* this completes the definitive history of America's role from Munich to the Japanese attack.

Those Perplexing Argentines, *by James Bruce. Longmans, Green; 362 pp., $5.*
Our ambassador to Argentina from 1947 to 1949 gives a less than brilliant though surprisingly informative portrait of the Argentines, amiable, anecdotal, but short on critical analysis.

The World of Van Gogh, *by Emmy Andriesse. British Book Centre; 151 pp., $4.95.*
This unusual book affords an unforgettable picture of Van Gogh in his environment. Reproductions of his paintings are accompanied by superb photographs of their original subjects and settings. A fine commentary is printed in adjacent columns of English, French and German.

From the University Presses

The Price of Freedom, *by Dimitrios G. Kousoulas. Syracuse; 210 pp., $4.*
Greece's role in world affairs since 1939, by a Fulbright scholar once sentenced to death by Greek Red guerrillas and saved by the British truce. The dénouement of the cold war, which began in Greece, is presented with great clarity.

How Nations See Each Other, *by Hadley Cantril and William Buchanan. Illinois; 220 pp., $5.*
The results of a poll of 11,000 individuals in 9 countries sponsored by UNESCO in 1948 to discover what the people of one nation think of their own and other nations.

Valley of Democracy, *by John D. Barnhart. Indiana; 338 pp., $5.*
The Ohio Valley, 1775-1818, serves as a scholarly illustration of Turner's thesis that the American character derives from the frontier rather than Western Europe. Here, pre-eminently, the new settlers were on their own, free from the coastal aristocracy of merchant and plantation owner.

The White Umbrella, *by D. Mackenzie Brown. California; 205 pp., $3.75.*
A concise survey of Indian political thought from Manu to Gandhi, presenting Hindu political tradition as seen by the Indians themselves.

The Present Danger: Four Essays on American Freedom, *by Paul G. Hoffman, Gerald W. Johnson, Kenneth C. Royall and Henry M. Wriston. Southern Methodist; 99 pp., $2.*
The refreshingly sane address by President Wriston of Brown University on American freedom and education is in itself resounding justification for this distinguished little volume.

Sideshow

"Nothing human is foreign to me."
—EMERSON

Full Circle: In Wellington, New Zealand, a thief discovered that the forty pairs of pants he had stolen from a parked truck were unfinished and took them to a tailor. When he came back to pick them up, he was greeted by the police. Reason: the tailor was the man from whom he stole them.

Daisy, Daisy . . . *The Moscow radio, bursting with pride, announced a new Soviet invention in transportation for the proletariat: "A new type of bicycle which has two wheels like an ordinary one, but is equipped with two sets of handlebars, two pairs of pedals, and two seats. Two people can ride on it at the same time."*

The Patriot: In Lahore, Pakistan, bridegroom Abdul Majid, all fired up by the "Patronize Pakistan Products" campaign, refused to marry until his bride got rid of all the non-Pakistani finery in her trousseau. His dismayed wife-to-be spent four frantic hours going over her things, finally appeared at the wedding in a new, Pakistan-made wedding dress, minus foreign make-up and jewelry. Also lost: about half of the dainty, unpatriotic lingerie and linens with which she had planned to start her married life.

Diehard: *In Glyngoere, Denmark, stubborn Kristen Soendergaard rounded out his eightieth year still defying a changing world: he is sticking to the price and wage scales of 1890, when he began working. Tradesmen of the town, marveling at his pigheadedness, charge him 1890 prices.*

All I Want for Xmas: Communist authorities in Czechoslovakia, canvassing all possibilities of saving metals for the industrialization drive, have eliminated false teeth for the average consumer. Henceforth "only glass-blowers, musicians who play wind instruments, and others for whom the loss of front teeth is a professional calamity" will be entitled to dentures.

Will France Fall Apart?

(*Continued from page* 13)

the disaster of World War II, the costly Liberation and the hot and cold wars in Indo-China and Europe which bled France white, has prevented any solution to the problems and contradictions of French life. Each attempt at national union, each attempt at reconciliation, has been dynamited by some other event. Thus the inner divisions of France have been kept alive, as virulent as they were almost 200 years ago.

But the dream of Vincent Auriol is the dream of all Frenchmen—a dream of political stability, of peace and union and carefree dancing in the streets. Its persuasive power is strong in French hearts and minds. Can it be realized? Or will France, as nations have, sicken and die?

RENE COTY had a comment on his election as President. "Santa Claus elected me," he said. "The deputies wanted to go home for the holidays." It was a bitter comment on what many Frenchmen considered a madness, a national disgrace, the nadir of French democracy. Yet there is hope in that very fact—for no people, no press in the world was more critical of the election spectacle than the French. And if it is true that France could sicken unto death if the present decline and political madness are not stopped, it is equally true to say that France's limbs and organs today are still essentially sound, that this great nation still has tremendous human and material sources to draw on.

In a sense, René Coty might be said to symbolize that basic health which still prevails beneath the political insanity in France today. In two Republics, the Third and the Fourth, he has been a consistent fighter for constitutional reform and the increase of the executive's powers. He is a quiet and cultivated man, a student of history. His tastes are simple, his character modest. He was politically unknown, but it is important also that he was politically uncommitted. If France is to make a start at the long and arduous task of political and social renovation, these qualities will surely be essential. And only if such a start is made, somehow and at some point, can the dream of Vincent Auriol ever have any possibility of realization.

Communist machine-gun fire dropped him in combat. But whole blood kept him alive, saw him through the hospital. He thanks you for his life.

She'd been exposed to polio. A new serum, *Gamma Globulin*, made from blood, helped ward off the dread disease. She thanks you for her life.

A tornado whipped suddenly across her home town. She was badly injured by falling debris. But a quick operation, several transfusions pulled her through. She thanks you for her life.

Three grateful people say:
"We're HERE...
because you were THERE!"

GIVE
BLOOD
...give it again and again

World Correspondents Cable:

What's Ahead

LONDON — British Foreign Office experts believe that Soviet Foreign Minister Molotov, at the Berlin conference, will propose immediate establishment of a provisional all-German government located in a demilitarized Berlin.

The plan is said to provide that the present West and East German governments retain actual power in their respective zones until final agreement, with both Allied and Soviet occupation forces remaining in their present areas except in Berlin itself.

The Whitehall experts say that such a plan would be completely unacceptable to the West, since it would permit Russian troops to remain within a few miles of Berlin while compelling the Allies to pull back all the way to West Germany.

In addition, it calls for the setting up of an all-German government prior to free elections. The West insists that such elections must be held before any unified German regime can be formed.

The Allied counter-proposal, according to these sources, will be a joint declaration in which the US, Great Britain, France and the Soviet Union would pledge jointly and severally that they have no aggressive intentions toward one another.

This declaration would be supported by similar subsidiary declarations by Canada and the NATO and EDC countries, including a reunited Germany. Purpose of the interlocking declarations would be to give Moscow every possible security guarantee.

PARIS — French diplomats expect the Berlin conference to end in a stalemate which will NOT substantially change the present status quo in Germany, and will NOT improve the chances of French ratification of EDC in the near future.

According to these sources, Soviet Foreign Minister Molotov will play his cards very carefully to increase French doubts as to EDC's wisdom. They predict he will make every effort to avoid being placed in a position where Moscow could be accused of acting in bad faith.

It is increasingly likely that the National Assembly will defer any final decision on EDC until after new elections under a revised electoral law—a matter of several months.

In the circumstances, many Assembly members are considering as a substitute to EDC a loose federation of West European armies with a common staff superstructure and supply pool—and with each army retaining its full national identity.

The plan would include admission of a rearmed West Germany to NATO.

Its proponents say it would remove the major French objection to EDC—fear that integration into EDC would cause the French Army to lose its national character.

BONN — Even if the unexpected happens at Berlin, and the Big Four agree on the reunification of Germany, the West German government will not be caught napping. To bridge the difficult transitional period before reunion can be established completely, a special government committee has drawn up plans to combat unemployment through huge housing projects and road and railway building.

The committee also has prepared blueprints for restoring a free consumers' market in East Germany, ending collectivization in agriculture, returning industry to free enterprise, solving the currency problem and equalizing prices and wages.

LONDON — The government's version of the disappearance of Donald Maclean and Guy Burgess, the two British diplomats who fled behind the Iron Curtain in May 1951, will be issued shortly after Parliament reconvenes on January 19. Up to now the Churchill government has refused to make any comprehensive statement on the affair.

Two circumstances are believed responsible for the change in policy—Burgess' Christmas letter to his mother and publication by WORLD in its January issue of "Another Lady Vanishes," the inside story of Mrs. Melinda Maclean's flight in September to join her husband, an article that was widely reprinted in the British press.

BOMBAY — India shortly will take action to force the cession of Goa, or Portuguese India, the last sizable European-ruled territory on Indian soil.

The measures probably will take the form of an economic boycott, plus refusal to permit the passage of Portuguese officials, troops or goods across the territory of India.

The Lisbon government so far has refused to dis-

cuss the problem with Prime Minister Nehru, contending that the area, which totals some 1,500 square miles, is an integral part of Portugal. Goa was founded in 1510 by the famous Portuguese conqueror, Affonso de Albuquerque.

Private negotiations have been under way for some time for the cession of the remaining French enclaves in India—Pondicherry, Mahe and Chandernagor.

PARIS — General Charles de Gaulle's memoirs, the first volume of which will be published in May, sharply challenge the version of events contained in Sir Winston Churchill's "The Second World War."

De Gaulle's attitude as leader of "Free France" was unflatteringly portrayed in Churchill's work, which was awarded the Nobel Prize for literature.

TEL AVIV — Israel will ask Great Britain for a military guarantee against Egyptian aggression if and when an agreement is reached turning the Suez Canal area over to Egypt.

Israeli Army experts point out that such an agreement would give Egypt control of eight camps, seventeen airfields, and radar and other military installations, putting Cairo in a favorable position to renew the war against Israel.

LONDON — British Overseas Airways plans to open service to the Soviet Union during the current year —provided the USSR approves the plan and agrees to the stationing of complete ground and maintenance staffs in Moscow.

The plans call for two services: London-Berlin-Moscow, and London-Moscow-Peking-Tokyo.

TAIPEI — The Chinese Nationalist government will be deprived of US aid unless Generalissimo Chiang Kai-shek scraps his plans to attempt an invasion of the Communist-ruled Chinese mainland during the present year.

This blunt warning was sent directly to Chiang from President Eisenhower himself.

On the other hand, Chiang was offered increased economic and military help in return for "patience."

LONDON — Sir Oswald Mosley's British Union of Fascists, which went into eclipse during the war, will attempt a comeback by staging a series of Nazi-type mass demonstrations this spring in London's East End.

Mosley, who expects a new depression, also plans to run thirty blackshirt candidates in the next parliamentary election.

COLOMBO — When Queen Elizabeth II, in the course of her Commonwealth tour, formally opens the Ceylonese Parliament next April, thirty-one pro-Communist and other opposition deputies will boycott the session to protest continuation of any official links between Ceylon and Great Britain.

BELGRADE — President Tito shortly must choose between his West-oriented adherents, who advocate a relaxation of Communist discipline and tolerance of "loyal" opposition, and the orthodox Marxists still powerful in the Communist League, Yugoslavia's only legal political party.

Recently the president of Parliament, Milovan Djilas, proposed the abandonment of Soviet-style party discipline, including compulsory mass meetings and the imposition of party dogma.

Those who share his ideas are said to include Mose Pijade, another top Tito adviser, and Army Staff Chief Colonel General Petko Dapcevic. The proposal, however, has been officially condemned by the Communist League's Executive Board and attacked in "Borba," the official Belgrade newspaper.

TOKYO — The revived Japanese Air Force, according to secret plans already approved by Washington, will comprise at least 2,000 planes, most of them late-model US jets.

The US, however, remembering Pearl Harbor, still adamantly opposes any revival of the Japanese Navy which would include aircraft carriers.

GEORGETOWN — British Guiana's ousted pro-Communist Prime Minister and his blond American wife, Janet, will be deported if the colonial authorities can find legal grounds for such action.

Although Jagan was born in British Guiana, he claims Indian nationality. If the courts rule that he and his wife—because of her marriage to Jagan—are Indian citizens, the couple could be ousted as "undesirables."

CASABLANCA — Open civil war may break out shortly in Morocco, where followers of the exiled Sultan are gaining strength daily despite the imprisonment in concentration camps of thousands of nationalists.

The situation has become so serious that the French Resident General, General Auguste Guillaume, has asked Paris for large reinforcements.

Sending additional troops to Morocco would be highly unpopular in France, which is bled white by the Indo-China war and has a body of public opinion sympathetic to the nationalists.

what is the Iron Curtain anyway?

It is Communism's "wall" against the healthy atmosphere of honesty that free men breathe. It is Communism's cruel and inevitably futile attempt to seal off 70,000,000 enslaved people from TRUTH that can set them free.

The Iron Curtain has many faces.

Poles and Hungarians look across a No-Man's Land of alarm systems, booby traps, and armed guards . . . the Czech sees a woodland stream with forest chopped naked to accommodate watch towers and Communist-manned machine guns . . . the Romanian gazes down a quiet valley where the flowers have been replaced with electric barbed wire and the secret police tramp all day.

Few captive voices reach outside this armed wall, but many powerful voices from the Free world are reaching *inside* it constantly.

Radio Free Europe is bringing new hope and courage daily to these Red-controlled millions who are our first line of defense against Soviet aggression.

RFE, broadcasting in the language of these people through their native exiles, is melting the Iron Curtain with Truth—while the Red bosses work feverishly to 'jam' RFE programs and calm their restless satellite peoples. *As long as RFE keeps the Reds working overtime in their own vulnerable 'back yard'—Moscow will hesitate to risk a third World War.*

One dollar is needed from every American to insure that Moscow won't take that risk.

Your "Truth-Dollar" will work, as no dollar ever worked, for an independent American enterprise —Radio Free Europe—which is supported and operated by private citizens like yourself.

To support Radio Free Europe, send your "Truth-Dollar" to Crusade for Freedom, c/o your local postmaster.

In this strategic area, a Communist police state controls the destinies of 70,000,000 people.

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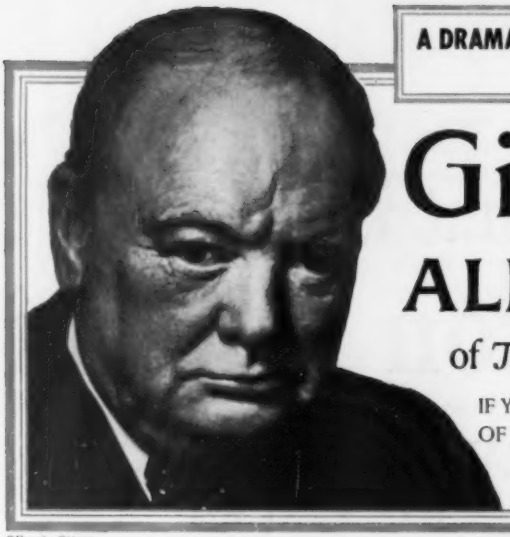

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ALL SIX VOLUMES
of *The Second World War* by Winston Churchill

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